



Conference Report for

UNITED NATIONS CLIMATE CHANGE CONFERENCE.

Fourteenth Session of the Conference of the Parties (COP 14)

Fourth Session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP 4)

Twenty-Ninth Session of the Subsidiary Body for Scientific and Technological Advice (SBSTA 29)

Twenty-Ninth Session of the Subsidiary Body for Implementation (SBI 29)

Resumed Sixth session of the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (Resumed AWG-KP 6)

Fourth session of the Ad Hoc Working Group on Long-term Cooperative Action (AWG-LCA 4)

1-12 December 2008, Poznań, Poland



Ministry of Housing, Transport and Environment.
Government of Maldives.

“
*Mauritania is already in the grip of triple stranglehold: a growing desert, encroaching ocean and worsening floods. The **Maldives** are saving up for exodus because of rising seas. These issues must be addressed today!
In this great future you can't forget the past, along the way!*
No solid future can be built on a weak foundation”

Yvo de Boer, Executive Secretary
United Nations Framework Convention on Climate Change (UNFCCC).

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UNITED NATIONS CLIMATE CHANGE CONFERENCE.

14th session of the Conference of the Parties (COP 14) to the United Nations Framework
Convention on Climate Change
4th Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

1-12 December 2008, Poznań, Poland

I. OFFICIAL DELEGATION

- Dr. Mohamed Shareef, Deputy Minister.
- Mr. Amjad Abdulla, Director General.
- Mr Ali Lishan, Environment Analyst.

II. REPORT

Introduction

The 14th Conference of the Parties to the UNFCCC and the 4th meeting of Parties to the Kyoto Protocol drew almost 9250 participants, including almost 4000 government officials, 4500 representatives of UN bodies and agencies, intergovernmental organizations and non-governmental organizations, and more than 800 accredited members of the media.

In support of these two main bodies, four subsidiary bodies convened: the Fourth Session of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention (**AWG-LCA4**); the resumed Sixth Session of the Ad Hoc Working Group on Further Commitments on for Annex I Parties under the Kyoto Protocol (**AWH-KP 6**); and the Twenty Ninth Session of the Subsidiary Bodies for Implementation (**SBI 29**) and the Subsidiary Body for Scientific Body for Scientific and Technological Advice (**SBSTA 29**).

The two-week meeting was the halfway mark in the negotiations on an ambitious and effective international climate change deal to be clinched in Copenhagen in 2009. Parties have little more than a year to agree on strengthened action on mitigation, adaptation, finance and technology.

Deliverables

The United Nations Climate Change Conference in Poznań ended on Saturday 13 December with a clear commitment from governments to shift into full negotiating mode next year in order to shape an ambitious and effective international response to climate change, to be agreed in Copenhagen at the end of 2009. Parties agreed that the first draft of a concrete negotiating text would be available at a UNFCCC gathering in Bonn in June of 2009.



Poznań meetings resulted in the adoption of COP decisions, COP/MOP decisions and a number of conclusions by the subsidiary bodies. These outcomes covered a wide range of topics, including the **Adaptation Fund** under the Kyoto Protocol, the 2009 work programmes of the AWG-LCA and AWG-KP, and outcomes on technology transfer, the Clean Development Mechanism (CDM), capacity building, national communications, financial and administrative matters, and various methodological issues. These Decisions and Conclusions are *Annexed to the Report*.

A key event at the Conference was a **ministerial round table** on a shared vision on long-term cooperative action on climate change. Ministers gave a resounding commitment to achieving an ambitious and comprehensive deal in Copenhagen that can be ratified by all. The next major UNFCCC gathering will take place next from 29 March to 8 April 2009 in Bonn, Germany.

While the Poznań negotiations did result in some progress, there were no significant breakthroughs, and negotiators face a hectic 12 months of talks leading up to the critical deadline of December 2009 in Copenhagen, Denmark.

Brief History of UNFCCC and the Kyoto Protocol

The international political response to climate change began with the adoption of the UNFCCC in 1992. The UN Framework Convention on Climate Change (UNFCCC) sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid “dangerous anthropogenic interference” with the climate system. The UNFCCC entered into force on 21 March 1994, and now has 192 parties.

In December 1997, delegates at the third Conference of the Parties (COP 3) in Kyoto, Japan, agreed to a Protocol to the UNFCCC that commits industrialized countries and countries in transition to a market economy to achieve emission targets. These countries, known under the UNFCCC as Annex I parties, agreed to reduce their overall emissions of six greenhouse gases by an average of 5.2% below 1990 levels between 2008-2012 (the first commitment period), with specific targets varying from country to country. The Kyoto Protocol entered into force on 16 February 2005, and now has 180 parties.

The first Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP 1) took place in Montreal, Canada in 2005. This meeting established the *Ad Hoc* Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP), to consider commitments by Annex I countries after the Protocol’s first “commitment period” concludes in 2012. In addition, COP 11 agreed to consider long-term cooperation under the Convention through a series of four workshops constituting a “Dialogue” until COP 13.



COP 13 and COP/CMP 3 took place in December 2007, in Bali, Indonesia. The focus of the Bali conference was on long-term issues, and negotiators spent much of their time seeking agreement on a two-year process, or “Bali Roadmap,” to conclude negotiations by COP 15 in December 2009 in Copenhagen, Denmark. This roadmap includes “tracks” under the Convention and the Kyoto Protocol. Negotiations on the follow-up to the Convention Dialogue resulted in agreement on a Bali Action Plan that established the AWG-LCA, which was mandated to launch a comprehensive process on long-term cooperative action under the Convention. The Bali Action Plan identifies four key elements: mitigation, adaptation, finance and technology. The Plan also contains a non-exhaustive list of issues to be considered under each of these areas and calls for articulating a “shared vision for long-term cooperative action.”

The first session of the AWG-LCA and fifth session of the AWG-KP took place from 31 March to 4 April 2008, in Bangkok, Thailand. Further sessions were held in June 2008 in Bonn, Germany and in August 2008 in Accra, Ghana.

III. ACTIONS

FINANCIAL MECHANISM

This agenda item, which includes sub-items on the fourth review of the financial mechanism, on the report of, and guidance to, the Global Environment Facility (GEF) (FCCC/CP/2008/2) and on the LDC Fund (FCCC/SBI/2008/MISC.8), was first introduced in SBI plenary on 2 December. Sub-items on the fourth review and on the report of and guidance to the GEF were then taken up in a contact group and in informal consultations chaired by Deborah Fulton (Australia) and Surya Sethi (India). Informal consultations on the LDC Fund were facilitated by Margaret Sangarwe (Zimbabwe) and Michelle Campbell (Canada).

Fourth review of the financial mechanism: Parties discussed the heavily bracketed text for a draft decision on the fourth review, which was compiled at SBI 28. Developed countries generally expressed their satisfaction with the GEF’s performance, while developing countries had numerous concerns, particularly with regard to the GEF’s fifth replenishment, complementarity of the financial mechanism to other sources of financing, proliferation of funds outside of the Convention and outcomes of the mid-term review of the Resource Allocation Framework (RAF). A short compromise text was eventually agreed, and on 10 December the SBI adopted conclusions and forwarded a draft decision to the COP for its consideration. The COP adopted the decision on 12 December.

COP Decision: In its decision (FCCC/SBI/2008/L.29), the COP, *inter alia*: calls upon developed country parties and invites other parties that make financial contributions to secure a successful fifth replenishment of the GEF and to ensure that the findings of



the mid-term review of the RAF are fully taken into account; and requests the SBI to recommend a draft decision on the review for adoption by COP 15.

GEF report and guidance to the GEF: Discussions on this sub-item were also difficult. Developing countries stressed their concerns with the RAF, access to funds, in particular by LDCs, small island developing states (SIDS) and African countries, co-financing requirements for GEF projects, and transparency of the GEF process. No agreement was reached, and SBI conclusions and a draft COP decision, containing bracketed text, were adopted on 10 December. This was then brought forward to COP President Nowicki and additional consultations resulted in agreement on a compromise text. A draft decision was adopted by the COP on 12 December.

COP Decision: In its decision (FCCC/CP/2008/L.5), the COP, *inter alia*, requests the GEF to: fully address issues raised over the implementation of the RAF; provide information on a regular basis on the composition and objective of co-financing for projects funded by the GEF; continue to improve access for all developing countries, in particular LDCs, SIDS and countries in Africa, to the GEF's resources; and continue to encourage its implementing and executing agencies to perform their functions as efficiently and transparently as possible, in accordance with guidance from the COP.

LDC Fund: In informal consultations, LDCs expressed concerns with insufficient resources and the long and complicated process of implementing NAPAs, and parties discussed options for expediting this process. The SBI adopted conclusions on 10 December and forwarded a draft decision on further guidance for the operation of the LDC Fund to the COP for its consideration. The COP adopted the decision on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2008/L.21), the SBI, *inter alia*, welcomes information submitted by parties and intergovernmental organizations on the implementation of NAPAs, and notes with appreciation that donors have provided US\$172 million to the LDC Fund.

COP Decision: In its decision (FCCC/SBI/2008/L.21/Add.1), the COP, *inter alia*: requests the GEF to work with its agencies to improve communication with LDCs and speed up the process through, for instance, establishing a time frame within which LDCs can access funding and other support for the preparation and implementation of projects identified in NAPAs; invites the GEF to raise awareness of the need for adequate and predictable resources under the LDC Fund; and requests SBI 33 to review progress.



NATIONAL COMMUNICATIONS

Annex I Communications: On 1 December, the SBI plenary noted information on national communications and greenhouse gas inventory data from parties included in Annex I to the Convention (FCCC/SBI/2008/12, Corr.1 and FCCC/SBI/2008/INF.7). The COP took note of this action.

Non-Annex I Communications: Three specific issues were originally under the SBI's draft agenda relating to non-Annex I parties' national communications. These addressed the work of the Consultative Group of Experts (CGE) on non-Annex I communications, the provision of financial and technical support, and information contained in non-Annex I communications. However, due to objections from developing countries, the item on information from non-Annex I communications was not considered, and will be held in abeyance until SBI 30. An account of the discussions and outcomes on the other two matters is contained in the section below.

CGE: The SBI first considered this item (FCCC/SBI/2007/10/Add.1, FCCC/SBI/2007/MISC.7, Add. 1-2) in plenary on 2 December and then in contact groups and informal consultations co-chaired by Ricardo Moita (Portugal) and Arthur Rolle (Bahamas). The main item for consideration was the review of the CGE's mandate and terms of reference. The CGE's mandate expired at COP13, and parties were unable to agree on the renewed mandate. During discussions at SBI 28, parties were still unable to agree, but adopted SBI conclusions containing draft bracketed text and agreed to base discussions at SBI 29 on this text. During the consultations at this session, parties expressed willingness to base discussions on this text. The US also presented a proposal to assess the progress of implementing Convention Article 10.2(a) (assessment of Convention implementation information), and to consider and discuss this at SBI 30.

The G-77/China said it needed time to coordinate before making a decision on this proposal, and also expressed concern about possible linkage with the issue of the review of non-Annex I communications being held in abeyance. The US said it would be unable to make any final decision on the draft bracketed text. Parties were therefore unable to agree on the mandate and revised terms of reference of the CGE and reflected this in SBI conclusions, which were adopted on 10 December. The COP took note of the lack of agreement in its closing plenary on 12 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2008/L.23), the SBI indicates its inability to reach conclusions on the mandate and revised terms of reference of the CGE and agrees to continue its deliberations at SBI 30.

Financial and Technical Support: The SBI first considered this item on 2 December, when the GEF reported on financial support provided for non-Annex I



communications (FCCC/CP/2008/2) and FCCC/SBI/2008/INF.10). The item was then taken up in contact groups and informal consultations co-chaired by Ricardo Moita (Portugal) and Arthur Rolle (Bahamas). Parties considered the information provided by the GEF. Their recommendations are contained in SBI conclusions adopted by SBI on 10 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2008/L.24), the SBI invites the GEF to continue to provide detailed and complete information on its activities relating to preparation of non-Annex I communications, including information on the dates of approval of funding and disbursement of funds, for consideration at SBI 30. The SBI also recommends that COP 14 request the GEF to ensure sufficient financial resources to meet the agreed full costs incurred by developing countries in complying with their obligations under Convention Article 12.1 (national communications), noting and welcoming the fact that a number of non-Annex I parties plan to initiate the preparation of their third or fourth communications by the end of the fourth GEF replenishment.

TECHNOLOGY TRANSFER

The SBSTA took up this issue in plenary on 1 December and the SBI addressed it on 2 December, when the Chair of the Expert Group on Technology Transfer (EGTT), Jukka Uosukainen (Finland), reported on the EGTT's work (FCCC/SB/2008/INFs.5-8). Matters relating to the EGTT were subsequently considered in a joint SBI/SBSTA contact group chaired by Carlos Fuller (Belize) and Holger Liptow (Germany). Discussions were not controversial and the group finished its work early. SBSTA and SBI conclusions were adopted on 9 December.

Other matters under the SBI agenda item on this issue (FCCC/SBI/2008/16-17) were taken up in a contact group chaired by Philip Gwage (Uganda) and Jukka Uosukainen (Finland), with a focus on the GEF strategic programme to scale up investment in technology transfer, and the development of the terms of reference for the review of the implementation of Convention Article 4.1(c) and 4.5. SBI conclusions containing an annex and draft COP decision were adopted by the SBI on 10 December, and the COP adopted the draft decision on 12 December. During adoption of the COP decision, the strategic programme was renamed the "Poznań strategic programme on technology transfer."

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2008/L.16), the SBSTA notes progress made in the EGTT's work and the interim reports by its Chair on performance indicators, financing options and a long-term strategy to facilitate the development, deployment, diffusion and transfer of technologies (FCCC/SB/2008/INFs 6-8). The SBSTA also requests the EGTT to take into consideration the deliberations among parties at this session when preparing the final versions of these reports.



SBI Conclusions: In its conclusions (FCCC/SBI/2008/L.28), the SBI requests the EGTT to take into consideration the deliberations among parties at this session when preparing the final versions of the reports on performance indicators, financing options and a long-term strategy. The SBI also agrees on terms of reference for the review and assessment of the effectiveness of the implementation of Convention Article 4.1(c) and 4.5, contained in an annex that sets out the mandate, objectives, scope, areas of focus, and approach and timing of the review.

COP Decision: In its decision (FCCC/SBI/2008/L.28/Add.1), the COP welcomes the Poznań strategic programme on technology transfer, and requests the GEF to:

- promptly initiate and facilitate the preparation of projects for approval and implementation under the programme;
- collaborate with its implementing agencies to provide technical support to developing countries to prepare or update their technology needs assessments, using the updated handbook;
- consider the long-term implementation of the strategic programme, including addressing gaps in current GEF operations relating to technology transfer, leveraging private sector investment, and promoting innovative project development; and
- provide interim reports to SBI 30 and 31 and a report to COP 16 on progress to date.

The COP also invites parties and relevant organizations to make submissions to the Secretariat based on the areas of focus set out in the terms of reference for the review of implementation of Convention Article 4.1(c) and 4.5. The deadline for submissions is 16 February 2009.

CAPACITY BUILDING UNDER THE CONVENTION

This agenda item (FCCC/SBI/2008/11, 15, MISCs.5-6, FCCC/CP/2008/2 and FCCC/TP/2008/5) was first considered by the SBI in plenary on 2 December, and subsequently in informal consultations facilitated by Crispin D’Auvergne (Saint Lucia) and Helmut Hojesky (Austria). During consultations, disagreements persisted on language relating to support provided by the GEF in the implementation of the capacity building framework, and the use of performance indicators for monitoring and evaluation. The G-77/China preferred language expressing disappointment with implementation of the framework and particularly the support provided by the GEF. Most developed countries opposed this, stating that no review had been carried out and such language was inappropriate. In addition, the G-77/China supported the development of performance indicators for monitoring and evaluating capacity building, which developed countries opposed as unnecessary. Parties finally agreed on compromise language and SBI conclusions were adopted on 10 December. A COP decision, which was agreed at SBI 28, was adopted by the COP on 12 December.



SBI Conclusions: In its conclusions (FCCC/SBI/2008/L.25), the SBI:

- notes the concern expressed by some parties regarding lack of progress in implementing the capacity-building framework;
- recommends that the COP reiterate its request to the GEF to continue efforts to provide adequate financial resources to support the implementation of capacity-building activities;
- invites submissions on experiences and lessons learned on the use of performance indicators for monitoring and evaluation; and
- requests the Secretariat to prepare a synthesis report on this issue, including the possible use of performance indicators, for consideration at SBI 30.

COP Decision: In its decision (FCCC/SBI/2008/8/Add.1), the COP requests SBI 30 to prepare a draft decision for adoption at COP 15, on the outcome of the second comprehensive review of the implementation of the capacity-building framework in developing countries.

CONVENTION ARTICLE 4.8 AND 4.9 (ADVERSE EFFECTS AND RESPONSE MEASURES):

Parties considered a number of issues in relation to the adverse effects of climate change and impacts of response measures. These included the Buenos Aires programme of work on adaptation and response measures (decision 1/CP.10), the Nairobi Work Programme on impacts, vulnerability and adaptation and the needs of LDCs.

Decision 1/CP.10: This agenda item was considered by the SBI on 2 December, and subsequently in contact groups and informal consultations chaired by Leon Charles (Grenada). The two main tasks were: assessment of the implementation of Convention Article 4.8 and decisions 5/CP.7 and 1/CP.10; and identification of actions that could be carried out to further implement decision 1/CP.10. A round table was organized on 3 December as part of the assessment, for parties to exchange experiences, lessons and best practices, and parties continued this exchange during informal consultations, together with discussions on identifying further actions. However, parties were unable to agree on the further actions to be carried out, and were also unable to agree on text on the status of the implementation of decision 1/CP.10, due mainly to disagreement over the treatment of the impact of response measures. **No outcome was reached and the COP took note of this during its closing plenary on 12 December. The item will be included on SBI 30's agenda.**

Nairobi Work Programme: This agenda item (FCCC/SBSTA/2008/9, 10, 12, INF.5, FCCC/TP/2008/3-4) was first considered by SBSTA on 1 December. Discussions continued in contact groups and informal consultations chaired by Kishan Kumarsingh (Trinidad and Tobago) and Don Lemmen (Canada). The main issues for discussion



were: identification of recommendations from implementation of the NWP to be forwarded to the SBI for its consideration; and consideration of the need for a group of experts and its possible role. On the second issue, most developing countries were in support of a group of experts to support implementation of the NWP, while most developed countries, while not directly opposing establishment of such a group, questioned its benefit considering that many experts already participate in the NWP. Parties eventually agreed to have an expanded roster of experts, rather than a group of experts, and agreed to invite submissions on names for the roster. The SBI adopted conclusions and an annex on 10 December.

SBSTA Conclusions: In its conclusions (FCCC/SBSTA/2008/L.22), the SBSTA, *inter alia*: invites parties to expand the roster of experts to ensure that all areas of expertise relevant to the NWP are represented; agrees to continue consideration of this matter at SBSTA 32; and provides the SBI, for its possible consideration, as appropriate, information and advice emerging from the implementation of the first phase of the NWP, as contained in the annex. The annex covers relevant information and advice to the SBI relating to methods and tools, data and observations; climate modeling, scenarios and downscaling; climate-related risks and extreme events; socioeconomic information; adaptation planning and practices; research; technologies for adaptation; and economic diversification.

Least Developed Countries: The SBI first considered this issue on 2 December, when the Chair of the LDC Expert Group (LEG) delivered a report on the 14th meeting of the LEG (FCCC/SBI/2008/14). The issue was subsequently taken up in informal consultations facilitated by Margaret Sangarwe (Zimbabwe), and proved straightforward. The SBI adopted conclusions on 10 December.

SBI Conclusions: In its conclusions (FCCC/SBI/2008/L.22), *the SBI notes that 39 NAPAs had been submitted by 10 December, that only one project is under implementation, and that 18 others have been approved for development. The SBI also, inter alia, invites the LEG to assess the support needed to implement NAPA projects, and encourages the LEG to provide technical support and training in development of NAPA projects for implementation.*

IPCC Fourth Assessment Report: The Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) was first taken up by SBSTA on 2 December, when Chair Helen Plume noted agreement at SBSTA 28 to conclude consideration of this matter at the 29th session. Chair Plume prepared SBSTA conclusions on this matter, which were adopted on 10 December.

SBSTA Conclusions:In its conclusions (FCCC/SBSTA/2008/L.17), the SBSTA stresses the importance of keeping parties informed about findings from the AR4 and notes plans for a Fifth Assessment Report and the invitation to parties to inform the



IPCC about scientific and technical questions and information they would like considered in support of the UNFCCC process.

REPORT OF THE AWG-LCA

On 12 December, the COP took note of the report of AWG-LCA 4 in Poznań, as well as the reports of the sessions held earlier in the year in March-April, June and August (FCCC/AWG-LCA/2008/L.9) and FCCC/AWGLCA/2008/9, 12 and Corr.1). The COP also adopted a decision on this process, entitled “Advancing the Bali Action Plan” (FCCC/AWGLCA/2008/L.4), which notes progress and welcomes the Chair’s determination to shift into full negotiating mode in 2009. For a full account of the discussions and outcomes from the AWG-LCA in Poznań.

REPORT OF AWG-LCA 4

On Monday, 1 December, AWG-LCA Chair Luiz Machado (Brazil) opened the session. The G-77/China highlighted its proposals on financing and technology. Australia, for the Umbrella Group, highlighted the need to move to full negotiation mode and discuss legal issues in 2009. Barbados, for AOSIS, called for serious negotiations and a focused work programme with concrete milestones. France, for the EU, stressed synergies between the AWG-LCA and AWG-KP and the importance of a shared vision as a statement of political will that translates the Convention’s ultimate objective into a vision of sustainable development.

Delegates adopted the agenda (FCCC/AWGLCA/2008/14) and agreed on the organization of work. The following section reports the discussions and outcome of this work, based on the agenda, which was focused on a shared vision for long-term cooperative action, mitigation, adaptation, technology transfer and financing, as well as on the work programme for 2009.

REPORT OF THE AWG-KP

On Monday, 1 December, AWG-KP Chair Harald Dovland (Norway) reconvened AWG-KP 6, which had started its sixth session in Accra, Ghana, in August 2008, and was due to conclude this session in Poznań. Chair Dovland proposed holding a strategic discussion in Poznań on the broader picture and to consider most elements of the work programme simultaneously.

In an opening statement, Antigua and Barbuda, for the G-77/China, expressed concern over slow progress and said conclusions on several agenda items should be adopted in Poznań. Tuvalu, for AOSIS, said the AWG-KP should establish emission reduction ranges, distribute responsibility, and apply simplicity and continuity to means and methodologies. France, for the EU, called for a global and comprehensive agreement in Copenhagen and expressed



readiness to move to full negotiation mode. Australia, for the Umbrella Group, stressed relevant work under the AWG-LCA, the Article 9 review and REDD, and proposed joint sessions for the AWG-KP and AWG-LCA.

Delegates agreed to the organization of work (FCCC/KP/AWG/2008/6-7). The following section summarizes the discussions and outcome of this work, which was focused in particular on means to reach emission reduction targets, relevant methodological issues, the “spillover effects” of policies and measures used by Annex I parties, “mitigation potentials,” and the range of further commitments for Annex I parties, as well as the work programme for 2009.

ADAPTATION FUND BOARD REPORT

The issue was taken up in the COP/MOP plenary on 3 December and further discussed in a contact group and informal consultations co-chaired by Karsten Sach (Germany) and Surya Sethi (India). The issue concerns operationalization of the Adaptation Fund through adopting or taking note of the recommendations by the Adaptation Fund Board contained in the Board’s report (FCCC/KP/CMP/2008/2).

There was broad agreement among parties that the Adaptation Fund needs to become operational as soon as possible in 2009. However, extensive discussions took place on enabling direct access of parties to the Fund, which is one of the three tracks under the decision 1/CMP.3. The two other tracks are access through implementing entities and through accredited executing entities at the national level.

The G-77/China insisted on operationalizing parties’ direct access to funding by giving the Board the legal capacity to undertake contracts and fund projects. The EU cautioned against making decisions on the legal status at this time. With other developed countries, the EU also supported a feasibility study on the legal issues identified in the Board’s report. However, agreement was not reached and the issue was forwarded for consideration at the ministerial level. Ministers finally agreed to confer on the Board legal capacity to enable direct access by parties to the Fund.

COP/MOP Decision: In its decision (FCCC/KP/CMP/2008/L.7), the COP/MOP, *inter alia*, adopts: the rules of procedure of the Adaptation Fund Board; the memorandum of understanding between the COP/MOP and the GEF Council regarding secretariat services to the Adaptation Fund Board, on an interim basis; the terms and conditions of services to be provided by the World Bank as trustee for the Adaptation Fund, on an interim basis; and the strategic priorities, policies and guidelines of the Adaptation Fund.

The COP/MOP also decides that the Adaptation Fund Board be conferred such legal capacity as necessary for the discharge of its functions with regard to direct access by



eligible parties and implementing and executing entities. In addition, the COP/MOP determines that these provisions will be reviewed as part of the review envisaged in decision 1/CMP.3, paragraph 33, taking into account the feasibility study commissioned by the Adaptation Fund Board.

2ND REVIEW OF THE PROTOCOL UNDER ARTICLE 9

This agenda item relates to the second review of the Kyoto Protocol under Article 9. The first review took place at COP/MOP 2 where delegates also agreed on the timing and preparatory process for the second review.

During sessional and intersessional discussions held prior to COP/MOP 4, several issues had been identified for consideration during the second review, including: facilitating procedures for countries to take on emission targets under Protocol Annex B; improving the governance and distribution of the CDM; privileges and immunities; and extending the share of proceeds for adaptation to JI and emissions trading.

At COP/MOP 4, the issue (FCCC/KP/CMP/2008/6; FCCC/KP/CMP/2008/INF.1-3; FCCC/KP/CMP/2008/MISC.1-3; FCCC/SBI/2008/8 & Add.1 and FCCC/TP/2008/6) was first taken up in plenary on 3 and 4 December. From 3-12 December it was considered in contact groups and numerous informal consultations co-chaired by Ana Maria Kleymeyr (Argentina) and Adrian Macey (New Zealand). In the COP/MOP plenary on 13 December, following late-night Friends of the Chair and ministerial consultations, COP/MOP President Nowicki announced that these consultations had not resulted in agreement on a comprehensive review.

On the review process, Saudi Arabia, China and others said the review should be completed in Poznań, while the EU, Australia and others identified the need to continue considering some issues under other bodies, such as the SBI. Consultations on the different aspects of the review took place separately, with an expert drafting group producing what was reported to be agreed text on the scope, effectiveness and functioning of the flexible mechanisms.

On the share of proceeds, many developing countries highlighted the importance of the issue and supported its finalization in Poznań. Some countries with economies in transition, however, opposed the proposal. South Africa proposed specific text on a two percent levy on the issuance of assigned amount units (AAUs) and removal units, to be monetized by the Adaptation Fund Board. The EU put forth less specific text noting the need to develop improved understanding of the financial potentials of available and new mechanisms. Parties were ultimately unable to reach agreement on the share of proceeds issue, with many developing countries expressing disappointment. In the early hours of Saturday, 13 December, the COP/MOP agreed to conclude the review without any substantive outcome or document.



CAPACITY BUILDING UNDER THE PROTOCOL

This agenda item (FCCC/SBI/2008/11, MISCs. 5-6, and FCCC/TP/2008/5) was first considered by the SBI on 2 December, when the G-77/China highlighted gaps in implementing capacity building, particularly in relation to enhancing capacity for implementing CDM projects in Africa, LDCs and SIDS. The item was subsequently taken up in informal consultations facilitated by Crispin D'Auvergne (Saint Lucia) and Helmut Hojesky (Austria), where the issue of performance indicators for monitoring and evaluating capacity building, and barriers to distribution of CDM projects were discussed. SBI conclusions were adopted on 10 December and the COP/MOP decision forwarded from the SBI was adopted by the COP/MOP on 12 December.

SBI Conclusions: The SBI conclusions (FCCC/SBI/2008/L.25) under this agenda item are similar to those on capacity building under the Convention, particularly on expertise and gaps in monitoring and evaluating capacity building, and the use of performance indicators. In addition to these conclusions, the SBI also notes the synthesis report on the implementation of the capacity-building framework and acknowledges the barriers to the equitable regional distribution of CDM projects.

COP/MOP Decision: In its decision (FCCC/SBI/2008/8/Add.1), the COP/MOP requests SBI 30 to prepare a draft decision for adoption at COP/MOP 5, on the outcome of the second comprehensive review of the implementation of the capacity-building framework in developing countries, and decides to take account of recommendations made by SBI 30 on further steps to regularly monitor and review the implementation of capacity building.

A SHARED VISION FOR LONG-TERM COOPERATIVE ACTION

This item was considered in an in-session workshop, contact group session and an informal ministerial round table. Discussion during the contact group, chaired by AWG-LCA Vice-Chair Michael Zammit Cutajar, focused on reactions to the shared vision workshop report, in relation to guiding principles, scope and objectives. Costa Rica, for the G-77/China, said efforts to address climate change should not be compromised by the current financial crisis. She also noted that adaptation and mitigation must be addressed as equal priorities, deep emission cuts should primarily be undertaken domestically by developed countries, and nationally appropriate mitigation actions for developing countries should be considered in the context of sustainable development.

The US noted recent economic circumstances and countries' evolving capabilities to contribute to emission reductions. Barbados, for AOSIS, highlighted safeguarding vulnerable countries as the central element of a shared vision. Tuvalu proposed the inclusion of the principle of state responsibility.



MITIGATION AND MEANS OF IMPLEMENTATION

Issues related to mitigation and associated means of implementation were introduced in AWG-LCA plenary on 1 December. They were then taken up in a contact group chaired by AWG-LCA Vice-Chair Cutajar. Discussions focused on: who has to take actions, MRV and recognizing and registering mitigation actions.

Differentiation among developing countries was one of the areas where parties' views diverged. Japan suggested broadening the scope of developed countries and differentiating among developing countries with the possibility of graduation, while Brazil, for the G-77/China, firmly rejected any proposals for differentiation among non-Annex I parties. Singapore said that diverse national circumstances should be taken into account.

Parties also discussed monitoring, reporting and verifying (MRV), in particular, its scope of application and mechanism for implementation. The EU explained that reporting by developing countries should be more frequent and based on international guidance, and that verification should take place internationally, building on existing experience. South Africa said MRV must be applied to legally-binding mitigation commitments by developed countries, mitigation actions in developing countries based on technological and financial assistance, and implementation of financing, technology and capacity-building commitments by developed countries. Saudi Arabia proposed a new developing country action mechanism, whereby resource commitments by developed countries and action pledges by developing countries are pooled together.

In addition, parties addressed the idea of establishing a registry of nationally appropriate mitigation actions in developing countries. Brazil agreed that the registry should bring actions and resources together, and the Republic of Korea said it should be voluntary. The EU suggested also registering outcomes of actions while India stressed that there should be no review of adequacy of developing country actions. The US identified the need to consider the spectrum of countries' national circumstances and said the registry approach should be considered for both developed and developing countries, while Brazil said developed countries must take on commitments and stressed the need to consider comparability of their efforts.

HIGH-LEVEL SEGMENT

The joint high-level segment of COP 13 and COP/CMP 3 took place from 11-12 December. During the segment, four heads of state or government delivered statements, along with more than 100 ministers and other high-level government officials, senior representatives of intergovernmental and non-governmental organizations, UN bodies and specialized agencies, and a range of stakeholders. Speakers reflected on a wide range of issues relating to climate change, the UNFCCC and the Kyoto Protocol.



COUNTRY STATEMENTS

Many parties spoke about the Bali Action Plan and Roadmap leading towards the Copenhagen Conference in late 2009. Many also reaffirmed their commitment to an equitable and comprehensive post-2012 framework, and said the global financial crisis should be viewed as an opportunity rather than an impediment to action. A number of speakers addressed mid- and long-term targets and shifting to a low-carbon economy. Some outlined domestic mitigation and adaptation actions, and highlighted the need for technology transfer and financial support.

Antigua and Barbuda, speaking for the G-77/China, expressed regret that expectations for Poznań had not been met, calling for a radical change in approach. France, for the EU, reaffirmed the EU's emission target for 2020, urged a reaffirmation of multilateral will in Poznań, and highlighted linkages between climate change, biodiversity, poverty and inequality.

Maldives, for the LDCs, said a 2°C temperature rise would take the world into the “danger zone.” Both AOSIS and LDCs urged a limit of 1.5°C temperature rise and greenhouse gas concentrations of no more than 350 ppm, as well as 40% emission reductions by developed countries by 2020 compared with 1990 levels.

Australia, for the Umbrella Group, said Copenhagen should produce a robust and resilient foundation to steer collective efforts, and welcomed discussions on a shared vision. Algeria, for the African Group, said two decades of negotiations had not produced the expected results, and developed countries were not meeting even the modest goals agreed in Kyoto.

Colombia said his country was the victim of climate change caused by industrialized countries. He advocated flexibility in market-based mechanisms, including a REDD mechanism. Belgium supported guaranteed funding for REDD.

Ireland said science tells us that even the IPCC AR4 is out of date. He said we should be trying to achieve global carbon neutrality in the second half of the century. Chile offered to host a round of talks in 2009, if needed. Egypt said sectoral actions should be country driven and rejected any attempt to impose developing country commitments. Nigeria supported progress on CCS.

The Russian Federation proposed differentiating among countries using GDP *per capita* and other objective criteria, and stated his opposition to setting ranges for Annex I targets, noting that this should be done at the national level. Mongolia highlighted subregional cooperation.

India underscored government-led action on technology and finance and a mechanism that procures the required technologies for developing countries. He also proposed a regional technology innovation center.



Iran discouraged differentiation among developing countries through the creation of new country categories. Belarus encouraged parties to ratify the Belarus amendment to Protocol Annex B to enable his country to participate in the Protocol's flexible mechanisms.

Burkina Faso called on Annex I countries to change their attitudes concerning patents, intellectual property, technology transfer and worldwide solidarity.

Seychelles said Annex I parties have stalled and “backpedalled” and must agree on a progressive deal in Copenhagen. Solomon Islands said its people are in danger of **becoming climate refugees**.

SIDE EVENTS

Oxfam Press Event (10 December 2008)

Human Rights is at the Heart of Climate Change

Mr. Abdulla spoke on a panel convened by Oxfam to mark to the 60th Anniversary of the Universal Declaration of Human Rights. In this forum Mr. Abdulla stated that climate change is a serious human rights concern in the Maldives.

Mr. Abdulla emphasized that human impacts should be at the center of the climate conversation since climate change undermines the right to a safe, secure, and healthy life recognized by the Universal Declaration of Human Rights. Maldives has taken a leadership role in promoting this view in the international arena, including tabled the first UN Resolution on Human Rights and Climate Change which was adopted earlier this year. Mr. Abdulla explained that the effects of climate change are “clear, immediate, and serious,” and must be addressed urgently in order to ensure the continued survival of small island states like Maldives.

Quoting from the Universal Declaration of Human Rights, Mr. Abdulla remarked that ***“all human beings are born free and equal in dignity and rights and...should act towards one another in a spirit of brotherhood.”*** Mr. Abdulla urged the delegates in Poznan to recognize that all people must share the same planet, and if climate change is left unchecked, all will suffer, rich and poor alike. Now is the time for developed countries to cooperate in the UN negotiations in order to secure a better future for all.

World Health Organization Side Event (11 December 2008)

Action on Health and Climate Change.

Maldives represented the interests of small island states with respect to climate change. Dr. Mohamed Shareef, Deputy Minister of Housing, Transport and Environment spoke before a large crowd on a panel convened by the World Health Organization. He emphasized that



climate change significantly threatens human health, as well as the health of environmental systems.

Dr. Shareef showed the delegates, NGO's and others present in the event why islands such as Maldives are particularly vulnerable to the effects of climate change – including sea level rise, degradation of water resources, decline of fisheries and coral reefs, and destruction of infrastructure – and stressed that all of these factors have negative implications for human health in island states. For example, the recent outbreak of “chikungunya” in the Maldives was spread by insects breeding in stagnant flood waters.

Maldives is a leader among the small island states in developing techniques to combat the adverse health effects of climate change. Dr. Shareef provided advice for other countries facing similar problems, drawing on the Maldives' successful efforts in coastal flood protection, preservation of coral reefs, and effective management of disease. He stressed that Maldives' health-related achievements would not have been possible without effective coordination between his colleagues in various government ministries.

Maldives will continue to face climate-related health problems, but with strong national capacity and sustained international support, we stand ready to address them.

European Commission, DG Development Side Event (13 December 2008)

Climate change and development: A key role for the Global Climate Change Alliance (GCCA).

EC Development Commissioner Louis Michel, EU Development Ministers and Finance or Planning Ministers of LDCs and SIDS will reflect on the outcome of the GCCA political dialogue and share ideas on how best to support the challenge of adaptation in most vulnerable developing countries to serve development goals.

Maldives is one among four countries selected for this landmark venture, and the Commission has praised the country for its preparatory “outreach” actions with the EC and the “promising results” it has yielded. The EC discussed with the Maldivian delegation on how to proceed with the implementation.



IV. OUTCOMES, ANALYSIS & EXPECTATIONS

A year after the historic Bali Climate Change Conference, negotiators are now at the halfway point on the Bali Roadmap, which launched a two-year process to strengthen international climate change cooperation. Looking back, progress has been achieved in 2008 through four sessions and discussions on the key elements of the future regime. However, pressure is mounting for the remaining 12 months: serious negotiations must begin as soon as possible in 2009 to secure an agreement in Copenhagen next December.

The political context for the Poznań Conference was somewhat different from the Bali negotiations in 2007. In Bali, the atmosphere was characterized by the strong international reaction to the Fourth Assessment Report (AR4) of the Intergovernmental Panel on Climate Change (IPCC) and a sense of urgency about climate change. In Poznań, by contrast, the negotiations took place against the backdrop of a rapidly worsening global financial situation. Many were concerned about climate policy falling victim to the crisis – and even the most optimistic were expecting the financial crisis to have some impact on the process.

Barack Obama's victory in the US Presidential elections was a reason for optimism in Poznań. Obama has promised to make climate change a high priority and highlighted a green energy economy as a remedy for the ongoing economic crisis. In Poznań, the US was still represented by the Bush administration and remained relatively subdued during the official negotiations. Some felt that uncertainty about the US position in 2009 caused other countries to refrain from making significant political advances in Poznań, and few expect developing countries to make significant moves before developed countries have clarified their positions on emission reductions and financing.

Along with the Poznań work programme on technology transfer, the only concrete outcome of the Poznań conference was the operationalization of the Adaptation Fund. The COP/MOP adopted several decisions to make the Fund operational, including on arrangements with the Global Environment Facility and World Bank. Importantly, all three tracks to access funds – through implementing entities, accredited national entities, and direct access by parties – have been enabled. The Fund is, therefore, expected to start financing adaptation projects and programmes in developing countries in the next year.

The success on the Adaptation Fund was tempered by the inability to secure additional resources for the Fund due to lack of agreement on extending the share of proceeds (or “adaptation levy”) to Joint Implementation and emissions trading under the second review of the Protocol under Article 9. As many had predicted, these consultations were difficult and were unable to produce an agreement, leading COP/MOP 4 to conclude the second review of



the Protocol without any substantive outcome. Most developing countries expressed deep disappointment at the failure to increase adaptation funding.

V. KEY TASKS FOR THE YEAR AHEAD

For both the AWG-KP and AWG-LCA, one of the first key tasks is generating formal negotiating texts that must be communicated to the parties at least six months before Copenhagen to comply with legal formalities. The Poznań Conference was widely seen as a successful step in that direction as the Chairs of both AWGs were mandated to prepare documents for the March/April meeting in Bonn.

The task of the AWG-LCA for 2009 will not be easy. The group will have to finalize an agreement on all four building blocks and a shared vision. It is the only body where all countries, including the US and developing countries, participate in discussions on mitigation. Thus, negotiations on a global long-term goal, comparability of mitigation efforts by developed countries and MRV in the context of nationally appropriate developing country mitigation actions are expected to be central. Importantly, MRV also applies to developed country support to developing countries through technology, finance and capacity-building, so ways of doing this will have to be identified.

The AWG-KP has a clear objective for 2009: to agree on further commitments for Annex I countries in the post-2012 period. Some developing countries were therefore somewhat disappointed at the lack of clear sequencing of tasks in the AWG-KP's 2009 work programme. Many developed countries were, however, pleased with text reaffirming the programme's iterative nature and agreement to "maintain a coherent approach" between the Convention and the Protocol in relation to Annex I parties' commitments.

Many developed countries maintain that the work of the two AWGs should be coordinated given that both, for instance, address mitigation by developed countries. In Poznań, Norway, the EU and others also alluded to a "package" and "comprehensive agreement" in Copenhagen, and New Zealand proposed forming a Committee of the Whole and proceeding on the basis of a single negotiating text in June 2009. However, many developing countries and the US have sternly opposed attempts to link the Convention and Protocol tracks, with many developing countries concerned that this could take focus away from new emission reduction targets for industrialized countries under the Protocol, and the US seeking to avoid any proposals that would draw it into discussions related to the Protocol. It therefore remains to be decided in 2009 how to avoid duplication of work under the different tracks of the Bali Roadmap and what the legal outcome of the negotiations will ultimately be.



VI. TO COPENHAGEN

While many agreed that the Poznań meeting resulted in some progress and positive steps forward, the general feeling was that negotiators had not achieved any major breakthroughs. Those who had hoped for decisive action blamed a lack of political leadership and determination they think would have signaled impending success in the coming year. Instead, many predict that agreement on the most critical issues, including mid- and long-term emission goals and finance, will not be reached before Copenhagen. This has led some to reconsider their expectations of what would constitute success in Copenhagen, and how many details of the new climate regime will need to be finalized after 2009.

Understandably, some participants left Poznań somewhat worried, feeling that while scientific evidence on climate change is strengthening, the “spirit of Bali” is weakening along with countries’ determination to fight climate change in light of the serious economic crisis.

Others, though, were not willing to abandon their optimism just yet. They referred to statements from both the EU and the US on measures to tackle the economic crisis that would also contribute to climate change mitigation and transition to a low carbon economy. Some veterans who are more used to the ups-and-downs of international negotiating processes also suggested that Poznań’s modest outcome could be a positive thing in the larger scheme of things. In the words of one observer, “delegates needed to be reminded that success is not inevitable, and that without strong political will it is quite possible that they will fail to make the historic breakthrough needed in Copenhagen.”
