

**IMPLEMENTATION OF ARTICLE 4, PARAGRAPHS 8 AND 9
OF THE CONVENTION
(Decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol)**

Note by the secretariat

I. INTRODUCTION

A. Mandate

1. By its decision 3/CP.3, the Conference of the Parties (COP), at its third session, requested the Subsidiary Body for Implementation (SBI), at its eighth session, “to undertake a process to identify and determine actions necessary to meet the specific needs of developing country Parties, specified under Article 4, paragraphs 8 and 9, of the Convention, arising from adverse effects of climate change and/or the impact of the implementation of response measures” (FCCC/CP/1997/7/Add.1). The decision further stipulates that issues to be considered “shall include actions related to funding, insurance and transfer of technology.” By this decision, the COP also requested the SBI to report to the COP, at its fourth session, on the outcome of this process, and invited the COP, at that session, to take a decision on actions based on the conclusions and recommendations of this process.

2. This note has been prepared by the secretariat at the request of the Chairmen of the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA), following suggestions from Parties during informal consultations, to assist the SBI in undertaking the process requested of it by the COP.

B. Scope of the note

3. This note proposes an analytical framework for use by the SBI in its consideration of this provisional agenda item. It is based on the provisions of Article 4.8 and 4.9 and draws on relevant documentation by the Intergovernmental Panel on Climate Change (IPCC),

information contained in national communications by Annex I and non-Annex I Parties, information from the Global Environment Facility (GEF) secretariat, conclusions of workshops and relevant work of the United Nations Framework Convention on Climate Change (UNFCCC) secretariat.

4. The Kyoto Protocol also contains provisions, particularly Articles 2.3 and 3.14, related to this provisional agenda item. These articles require the Conference of the Parties serving as the meeting of the Parties to the Protocol (COP/MOP) to consider what actions are necessary to minimize the adverse effects of climate change and/or the impacts of response measures on Parties referred to in Article 4, paragraphs 8 and 9 of the Convention. The issue of the allocation of preparatory work to the subsidiary bodies for the first session of the COP/MOP is before the subsidiary bodies at their current sessions (see FCCC/SB/1998/1). As the allocation of work was pending at the time of the preparation of this note, the note does not consider explicitly implementation of the Kyoto Protocol. Should this task be allocated to the SBI, it could consider ways of coordinating this work with the current process.

C. Possible action by the Subsidiary Body for Implementation

5. In response to the request to the SBI to report to the COP at its fourth session on the outcome of the process to identify and determine actions necessary to meet the specific needs of developing country Parties, specified under Article 4.8 and 4.9 of the Convention, arising from adverse effects of climate change and/or the impact of the implementation of response measures, the SBI may wish to prepare, at its current session, a recommendation for a draft decision for adoption by the COP at its fourth session. The SBI may also consider actions related to the longer term, including tasks that cannot be completed by the COP, at its fourth session.

6. In preparing the recommendation for a draft decision for adoption by the COP at its fourth session, the SBI may wish to take into account the following.

7. Article 4, paragraph 8, of the Convention requires that, in the implementation of the commitments in Article 4, "Parties shall give full consideration to what actions are necessary under the Convention, including actions related to funding, insurance and the transfer of technology, to meet the specific needs and concerns of developing country Parties arising from the adverse effects of climate change and/or the impact of the implementation of response measures". The SBI may decide to use the framework for analysis proposed below in undertaking a process to identify and determine actions necessary to meet the specific needs of developing country Parties specified under Article 4, paragraphs 8 and 9, of the Convention arising from adverse effects of climate change and/or the impact of the implementation of response measures, as requested by the COP in its decision 3/CP.3.

8. A first tier in the analysis may be (i) *the identification of possible adverse effects of climate change* and (ii) *possible impacts of the implementation of response measures*. A generic list of such effects and impacts would not necessarily apply to all developing countries.

9. A second tier in the analysis may be to consider *how these effects and impacts relate to developing country Parties*, which could be different from the way in which they affect other Parties. For example, a particular adverse effect of climate change on agriculture may be potentially more damaging in countries which already suffer from food shortages and drought. The categories of countries listed in Article 4.8 would be of particular relevance in this analysis.

10. A third tier in the analysis may be to *identify the needs and concerns of developing country Parties* that might arise from the ways that the adverse effects and impacts relate to them. For example, threats to agricultural production in countries which already suffer from occasional drought may raise concerns over food security, and needs could be identified in relation to this, such as increasing drought preparedness, the development of early-warning information, and the monitoring of key indicators of staple food production, particularly key determinants of production, national stocks and import availability. The above three tiers are considered in detail under section D below.

11. Finally, *actions could be identified* that are necessary under the Convention to meet these needs and concerns of developing countries. As suggested in Article 4.8, these actions could be considered under the topics of funding, insurance and the transfer of technology. This tier is considered in section E below. Section F considers actions related to the specific needs and special situations of the least developed countries with regard to funding and the transfer of technology, as referred to in Article 4.9.

D. The specific needs and concerns of developing countries

1. The adverse effects of climate change

12. Article 4.8(a) - (i) of the Convention includes categories of developing country Parties that are especially concerned by the provisions of that paragraph. The adverse effects and impacts could be organized by each of the categories (a) - (i). These categories, however, are not mutually exclusive, and overlaps exist between many of them. Further, the same effects and impacts apply to countries in different categories. To avoid overlap and repetition, the analysis in this note does not, therefore, discuss the adverse impacts of climate change in each of these categories, but addresses these adverse effects in an integrated way, although the SBI may wish to consider more specific cases.

13. The IPCC Special Report on the Regional Impacts of Climate Change provides an extensive study of the impacts of climate change in the world, divided into 10 regions. In addition, there is considerable literature available on the assessment of the impacts of climate

change, prepared by the IPCC, by other international organizations, by government agencies and by non-governmental organizations.¹ It would be beyond the scope of this note to review all the literature available. Instead, using the framework described in section C above, this note uses examples, which could serve as a basis for discussion.

14. The adverse effects of climate change may be felt on ecosystems, socio-economic sectors and human health. They include phenomena such as shifts in vegetation boundaries, changes in the mix of species, altered water temperatures, increased flooding, increased storminess, changing precipitation patterns, sea-level rise, and shifts in patterns of disease and pests.

15. Developing country Parties may be more vulnerable to adverse effects of climate change than other Parties if ecosystems, socio-economic sectors and human health are more sensitive to changes in climate, or if abilities and capabilities to adapt are less in these countries. This may be the case for a variety of reasons: for example, there may be higher existing stresses on systems which could be adversely affected by climate change (e.g. air pollution, freshwater resources, etc.); resources may already be used more intensively; adjusting to extremes may be more difficult or costly; there may be fewer resources available for adaptation measures and/or existing technologies may not be the most suited to adaptation.

16. Needs and concerns of developing country Parties arise from the ways that adverse effects of climate change affect them. For example, improved dam and levee infrastructure may help protect against the risk of increased flooding; the development of new crop varieties that are less sensitive to changes in temperatures would reduce risks to agriculture; coastal areas may be protected from storm surges by the construction of dikes, levees and floodwalls; and the risk of loss of life as a result of increased tropical vector-borne disease could be reduced by improved sanitation, nutrition and access to safe drinking water.

17. Most of the initial communications received to date from Parties not included in Annex I to the Convention include information on the expected effects of climate change, vulnerability assessment and/or adaptation. One provides a detailed list of adaptation measures that need to be adopted to address impacts, including some related to technology transfer. Several note the need for completing existing studies or carrying out additional ones.

18. Information on the needs and concerns of developing country Parties related to the assessment of adverse effects of climate change has also been expressed in the conclusions from various workshops on this issue. Concern has been expressed regarding the inadequacy of existing models for impact assessment and the limited availability of funds for impact and vulnerability assessment (see also FCCC/SBI/1998/INF.3). The need has also been expressed for studies to focus more on adaptation, for the development of more detailed and reliable

¹ Document FCCC/SBSTA/1996/16/Add.1 describes several major projects on methodologies on the impacts of climate change.

regional scenarios of climate to be used in assessments, for the development of additional data, for assessments to account better for baseline socio-economic changes and integrated impacts of climate change, and for building capacity to carry out vulnerability and adaptation assessments. It was also noted that additional financial support could help meet this need.

2. The impact of the implementation of response measures

19. In considering the impact of the implementation of response measures, this paper notes that developing country Parties whose economies are highly dependent on income generated from the production, processing and export, and/or on consumption of fossil fuels and associated energy-intensive products are specifically mentioned in Article 4.8(h), although it is acknowledged that developing country Parties belonging to categories as given under Article 4.8(a)-(g) and (i) may also be subject to impacts from the implementation of response measures.

20. Several chapters of the contribution of Working Group III to the Second Assessment Report (SAR) of the IPCC mention the impact of the implementation of response measures, without providing a detailed assessment. The SAR mentions, *inter alia*, that abatement efforts could have an impact on the traded volume and price of fossil fuels, that effects are complex, that exporters and importers of fossil fuels would be affected in different ways, and that there may also be second-order effects on economic growth rates.

21. At its fourth session, the Ad Hoc Group on the Berlin Mandate (AGBM) convened an informal round table on the possible impacts on developing country Parties of the then new commitments to be negotiated by Annex I Parties, of which the report by its Chairman is contained in document FCCC/AGBM/1996/8, annex I, part III. At this informal round table, there was widespread consensus that developing countries would be affected by action taken by Annex I Parties to tackle climate change. There was, however, disagreement as to the extent of these impacts, and whether they would be positive, negative or both.

22. The AGBM requested the IPCC to prepare a technical paper or a special report on the economic impacts of Annex I actions on all countries. Working Group III of the IPCC concluded that the available published literature did not provide an adequate basis for such a report, and recommended instead that a model comparison be organized on this subject because the economic impacts are the net result of several changes that partly act in opposite directions. At a workshop held in Oslo from 18 to 20 August 1997 on the results of the model comparison, it was concluded that the work helped to improve understanding of the issues involved, but that much remained to be learned and that definitive answers were unavailable.

23. The Oslo workshop also recommended, *inter alia*, to include a chapter on the impact of the implementation of response measures in the Third Assessment Report (TAR). Further, in their submissions on the structure and content of the TAR, several Parties have recommended that the TAR address this issue (see FCCC/SBSTA/1997/MISC.4 and FCCC/SBSTA/1998/MISC.1). The structure and content of the TAR is currently being elaborated and it is expected to be presented for adoption at the September-October 1998

session of the IPCC Plenary (see also FCCC/SBSTA/1998/2 for additional details on this aspect of cooperation with the IPCC). There is limited time available before the next session of the COP, at which a decision is expected to be taken on actions based on the conclusions and recommendations of the process undertaken by the SBI. In the light of the IPCC's own schedule, it is unlikely that, apart from an approved outline of the TAR, much significant new material will be available in time for consideration by the SBI at its ninth session. In the longer term, however, the SBI may take into account in its deliberations any results, particularly from Working Group III of the IPCC, or related workshops organized by it, particularly with regard to preparatory work for the COP/MOP, providing that this task is assigned to the SBI (see paragraph 4 above).

24. The studies carried out so far have, however, helped to identify the *possible* impacts of the implementation of response measures. These impacts concern, *inter alia*, global and domestic prices of oil, coal and natural gas, as well as quantities produced and exported; domestic and global prices of energy-intensive goods, and related production and trade patterns; domestic and foreign savings and investment patterns; changes in income in different countries; and changes in exchange rates, and current account and trade balances.

25. First and second national communications from Parties included in Annex I to the Convention and in-depth review reports contain detailed information on policies and measures taken to implement Convention commitments but do not assess whether and how policies and measures already implemented impact on other countries. The complexity of impacts and the shortage of available literature makes it difficult to draw conclusions on what are, and what will be, the precise actual impacts of actions taken by Annex I Parties to implement their stabilization commitments under the Convention, and to estimate the magnitude of these impacts. Estimating the impact of response measures to implement the Kyoto Protocol would have added uncertainties regarding the extent to which Annex I Parties implement commitments through the mechanisms established by Articles 6, 12 and 17 of the Protocol, and the extent to which they chose domestic mitigation, the relative amounts by which they reduce the six greenhouse gases concerned and the extent to which targets are met through the enhancement of sinks.

E. Actions necessary under the Convention to meet the needs and concerns of developing country Parties

1. Funding

(a) The adverse effects of climate change

26. In addition to Article 4.8 and 4.9, there are a number of other provisions in the Convention related to funding and to the adverse effects of climate change. Article 4.1(b) requires all Parties to "formulate, implement, publish and regularly update national and, where appropriate, regional programmes containing ... measures to facilitate adequate adaptation to climate change". Article 4.1(e) establishes that Parties shall "cooperate in preparing for adaptation to the impacts of climate change...". In addition to the commitments in Article 4.3 on financial resources is the provision in Article 4.4 that "developed country

Parties and other developed Parties included in Annex II shall also assist the developing country Parties that are particularly vulnerable to the adverse effects of the climate change in meeting costs of adaptation to those adverse effects.” Article 4.5 on the transfer of technology is also relevant. Further guidance is provided by the COP in decisions 11/CP.1, 12/CP.1, 11/CP.2, 12/CP.2, 13/CP.2, 11/CP.3 and 12/CP.3.²

27. Under Articles 10 and 11 of the Protocol, the GEF is to provide financial resources needed by developing country Parties to formulate, implement, publish and regularly update national and/or regional programmes containing measures to facilitate adequate adaptation to climate change. Further, under Article 12.8 of the Protocol, regarding the clean development mechanism, the COP/MOP shall ensure that “a share of the proceeds from certified project activities is used to cover administrative expenses as well as to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation”; these provisions are not discussed here.

28. Resulting from the Convention provisions and the COP decisions, a number of mechanisms and processes for the provision of funding are in place, that are related to the adverse effects of climate change. These are briefly reviewed below, under the subheadings of financial resources provided through the GEF and bilateral sources of funding. In addition, secretariat activities on facilitating the provision of financial and technical support are mentioned.

Financial resources provided under the GEF

29. Decision 11/CP.1 of the COP at its first session includes specific guidance to the operating entity of the financial mechanism regarding policies, programme priorities and eligibility criteria with regard to adaptation, in paragraph 1 (d). Stages are identified for the short term (Stage I on planning, which includes studies of possible impacts of climate change, to identify particularly vulnerable countries or regions and policy options for adaptation) and the medium and long term (Stages II and III). Initially, funding is limited to Stage I activities; by sub-paragraph 1 (d) (iii) of the decision, based on the outputs of the Stage I studies, as well as other relevant scientific and technical studies, such as those of the IPCC, and any emerging evidence of the adverse effects of climate change, the COP may decide that it has become necessary to implement the measures and activities envisaged in Stages II and III. Funding under Stage I will cover the agreed full costs of relevant adaptation activities undertaken in the context of the formulation of national communications, including studies of the possible impacts of climate change, identification of options for implementing the adaptation provisions and relevant capacity-building. The GEF Operational Strategy contains further guidance on the Stage I adaptation activities that may be funded. By its decision 11/CP.2, the COP provided additional guidance to the GEF including, *inter alia*, to expedite the approval and the disbursement of financial resources for the preparation of national communications by non-Annex I Parties. Also pertinent is the annex to decision 10/CP.2

² Document FCCC/SBSTA/1996/16/Add.1 describes several major projects on methodologies on the impacts of climate change.

containing guidelines for the preparation of initial communications by non-Annex I Parties, particularly paragraphs 2 (c), 6 and 15 (c).

30. It is difficult to assess the exact amount of funding provided by the GEF for assessment of the impacts of climate change, adaptation and related activities, as amounts are often allocated for broader activities, of which these categories are components, along with others. In some cases, particularly expedited procedures projects on enabling activities for the preparation of initial communications by non-Annex I Parties, project documents contain budgeted amounts allocated for these activities, which provide some indication of how total amounts are divided among component activities.

31. Of the total of US\$ 682.17 million that has been allocated by the GEF to climate change projects (as at February 1998),³ US\$ 67.05 million has been allocated to projects related to national communications by non-Annex I Parties (see FCCC/SBI/1998/MISC.1). Of this amount of US\$ 67.05 million, some US\$ 8.38 million has been allocated to activities exclusively concerned with vulnerability and adaptation, and a further US\$ 33.62 million has been allocated to activities which are only partially related to vulnerability and adaptation. The exact percentage of this US\$ 33.62 million that is spent on vulnerability and adaptation varies from project to project, and in some cases, information on the percentage is not available. However, it may be stated that, typically, an allocation of US\$ 0.35 million for an expedited procedures project enabling a non-Annex I Party to prepare its initial communication will normally provide about US\$ 0.08 million (or 23 per cent of US\$ 0.35 million) allocated to developing the sections of the communication on policy options for monitoring systems and response strategies for impacts and on policy frameworks for implementing adaptation measures and response strategies.

Bilateral sources of funding

32. Annex II Parties, in their first and second national communications, have indicated that their principal support to developing country Parties for identifying impacts of climate change, and vulnerability and adaptation assessment occurs through their contributions to the GEF. Two Parties noted that they had chosen to support projects directed at adaptation to climate change through their contributions to the GEF. Several Annex II Parties also reported that they make significant contributions to bilateral projects and programmes; noteworthy among these are the Netherlands Climate Change Studies Assistance Programme and the United States Country Studies Program (USCSP). Under the former, support is provided to 10 countries (soon to be 13) to carry out a vulnerability assessment to climate change, with a focus on coastal zones, as part of their adaptation measures to climate change. Under the USCSP, some 55 countries receive assistance for, *inter alia*, assessing their

³ Information on amounts allocated by the GEF is provisional and subject to confirmation.

vulnerability to climate change and evaluating response strategies for mitigating and adapting to climate change. Based on information contained in 15 second communications, bilateral contributions specifically allocated to adaptation amounted to US\$9.55 million in 1994 and US\$0.96 million in 1995⁴ (see tables 2 and 3 in FCCC/SBSTA/1997/13).

Activities on facilitating the provision of financial and technical support

33. A number of relevant activities are carried out by the secretariat and other United Nations agencies to facilitate the provision of financial and technical support. For example, Module 2 of a training package developed by the United Nations Development Programme/United Nations Institute for Training and Research (UNDP/UNITAR) programme CC:TRAIN is devoted exclusively to the impacts of climate change. Also, workshops organized under CC:FORUM provide an informal consultative forum for the exchange of experience on projects in the climate change area, including on issues related to the impacts of climate change and vulnerability in the context of the preparation of initial communications from non-Annex I Parties (see FCCC/SBI/1998/INF.3).

(b) The impact of the implementation of response measures

34. There are no examples of actions undertaken with regard to funding provided in connection with impacts of the implementation of response measures.

2. Insurance

35. Insurance is mentioned in Article 4.8 of the Convention, Article 3.14 of the Protocol, and decisions 11/CP.1 and 3/CP.3 of the COP. Decision 11/CP.1 establishes that under Stage III, measures to facilitate adequate adaptation, including, *inter alia*, insurance are to be envisaged for the particularly vulnerable countries or regions identified in Stage I.

36. Several notions of insurance may be distinguished. The contribution of Working Group III to the SAR considers issues related to insurance in several of its chapters, in the context of a market for sharing risk. It notes that there is no international market in which individuals or countries can insure themselves against losses from climate change or related abatement policies. It notes further that various suggestions have been made for types of possible insurance contract such as a “mutual insurance contract”, “risk securities” and international insurance funds. The SAR also notes that insurance markets in developing countries may not be as developed as those in industrialized countries, and that costs of risk bearing may be higher in some developing countries because of the nature of the impacts. The SAR notes with regard to risk bearing that “the appropriate form of insurance is not a simple matter”, and “that analysis is technically difficult but not impossible, and more study is needed”.

⁴ These figures reflect amounts that Parties have specifically indicated are allocated to adaptation. Amounts may be higher if not all funding for adaptation has been reported as such, or if funding reported under other categories is also partially relevant to adaptation.

37. An alternative notion of insurance - that of a measure taken to provide for a possible contingency - could include a country's strategy for insurance against shifts in demands for fossil fuels, which might involve diversifying exports and investing in renewables, and the acquisition of relevant technology to do so. The transfer of technology addressed in section 3 below, could play a role in this context.

38. A distinction may also be made between issues related to insurance that arise from the viewpoint of the insurance sector, which stands to suffer significant losses from the effects of climate change, and those that arise from the viewpoint of Parties that are particularly vulnerable to adverse effects of climate change. From the perspective of the insurance industry,⁵ even small shifts in regional climate zones and/or storm patterns carry the risk of a large increase in property damage, while changes in human health may affect life insurance and the pension industry. As large owners of assets, insurance companies can have an impact on climate change through their own efforts at greening internal operations and through their investment decisions. Increased losses to the insurance sector could, in the longer term, lead to much higher premiums, or, worse, removal of coverage altogether, particularly for property in areas at high risk.

3. The transfer of technology

(a) The adverse effects of climate change

39. The information in the preceding section E.1 on funding is relevant to any consideration of the transfer of technology, since such financial flows frequently engender both the transfer of both "soft" and "hard" technology. As information on this has been provided above, it is not repeated here. Instead, this section focuses on work under way by the secretariat, carried out in response to decisions 13/CP.1, 7/CP.2 and 9/CP.3 by the COP and requests by the subsidiary bodies, on several different aspects of technologies and methodologies related to the effects of climate change, vulnerability and/or adaptation.

40. In response to requests by the Subsidiary Body for Scientific and Technological Advice (SBSTA), the secretariat conducted a survey to identify technology and technology information needs of non-Annex I Parties, and expanded this survey to include all non-Annex II Parties. The results of this survey are synthesized in document FCCC/SBSTA/1998/INF.5, prepared for the current session of the SBSTA.⁶ Based on the responses received, the sectors most often listed as important for adaptation are, in descending order: agriculture, forestry, coastal zone management, health, infrastructure and fisheries, and low-lying coastal areas. The survey collected information, *inter alia*, on priorities for technologies for adaptation by sector.

⁵ The UNEP Insurance Industry Initiative for the Environment addresses some climate change related issues, from the perspective of the insurance and reinsurance sector.

⁶ The full report will also be made available.

41. In response to various requests related to adaptation technologies, the secretariat organized an expert meeting on adaptation technologies, held from 20 to 22 March 1997 (see FCCC/SB/1997/3 for full details of the meeting) and arranged for the preparation of a technical paper on adaptation technologies (FCCC/TP/1997/3). The conclusions of the paper are summarized in document FCCC/SBSTA/1997/10, paragraphs 13-22. Building on this work, the secretariat has initiated more detailed analyses, is reviewing national communications and the work of the IPCC, and will prepare a technical paper on adaptation technologies in one sector for the ninth session of the SBSTA (for full details, see FCCC/SBSTA/1998/5, paras. 20-26).

42. Pursuant to decisions of the COP, the secretariat is also carrying out work related to the development of methodologies related to adaptation technologies, including the collection of information on adaptation methods, particularly decision tools (for full details, see FCCC/SBSTA/1998/4, paras. 16-18).

(b) The impact of the implementation of response measures

43. There are currently no activities under the Convention related to the transfer of technology linked specifically to the impact of the implementation of response measures. There may, however, be possibilities of addressing impacts on developing countries through suitable transfer of technology, for example, to assist countries in diversifying exports, developing natural gas production as an alternative to oil, or research and development into CO₂ disposal technologies, technologies that lower emissions during processing and transport of fuels.

F. The least developed countries

44. Article 4.9 requires Parties to take full account of the specific needs and special situations of the least developed countries (LDCs) in their actions with regard to funding and transfer of technology. The approach outlined in sections D and E above can be extended to specify the needs and situations of the least developed countries. This section is limited to a discussion of available information on funding and technology transfer to LDCs related specifically to the adverse effects of climate change and/or the impact of the implementation of response measures.

45. Information reported in first and second national communications on bilateral financial flows and on the transfer of technology is neither sufficiently detailed or disaggregated, nor sufficiently uniform to allow useful conclusions to be drawn regarding flows to the least developed countries. Nor is it possible to assess what amount of funding has been allocated under the GEF to LDCs for activities related to the adverse effects of climate change. It is, however, possible to obtain an overall estimate of the amount of the GEF funding for enabling activities that LDCs benefit from (of which only a part is spent on activities related to the adverse effects of climate change): of the total of US\$ 67.05 million allocated so far by the GEF to enabling activities related to the preparation of initial communications by non-Annex I Parties, US\$ 8.24 million has been allocated exclusively to LDCs and a further US\$ 24.34 million has been allocated to projects in which both LDCs and

other developing countries are beneficiaries (see FCCC/SBI/1998/MISC.1). So far, the survey conducted by the secretariat to identify technology and technology information needs of non-Annex II Parties has not provided sufficient information to allow conclusions to be drawn on technology needs of LDCs specifically related to addressing concerns and needs arising from the adverse effects of climate change and/or the impact of the implementation of response measures.

G. Conclusions

46. In undertaking the process requested of it by the COP in decision 3/CP.3, the SBI may decide to use the analytical framework outlined above. If it so decides, the SBI may identify possible adverse effects of climate change and possible impacts of the implementation of response measures, how these effects and impacts relate to developing country Parties, and the related needs and concerns of developing country Parties. It may consider the information on funding, insurance and the transfer of technology provided in this note, and whether this information is adequate. If this information is not deemed adequate, the SBI may provide guidance on how to gather additional information, or, alternatively, request the secretariat to explore ways of doing so. If this information is adequate for its purposes, the SBI may identify and determine appropriate actions to meet the specific needs of developing country Parties, specified under Article 4.8 and 4.9, arising from adverse effects of climate change and/or the impact of the implementation of response measures.

- - - - -