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Agenda item 7 (a)

IMPLEMENTATION OF ARTICLE 4, PARAGRAPHS 8 AND 9, OF THE CONVENTION

PROGRESS ON THE IMPLEMENTATION OF ACTIVITIES UNDER DECISION 5/CP.7

Draft conclusions proposed by the Chair

1. The Subsidiary Body for Implementation (SBI) invited Parties and relevant international organizations to submit to the secretariat, by 15 May 2004, information on current and/or planned activities including, where appropriate, support programmes, to meet the specific needs and circumstances of developing country Parties arising from the adverse effects of climate change, implemented in support of the various provisions of decision 5/CP.7.
2. The SBI decided to continue its consideration of issues under this agenda sub-item at its twentieth session on the basis of a draft text contained in the annex to these conclusions.

Annex

Draft text proposed by the co-chairs of the contact group

[Draft decision -/CP.9

The Conference of the Parties,

Recalling its decision 5/CP.7,

[*Reaffirming* that in order to respond to the challenges faced now and in the future, climate change and its adverse effects should be addressed while meeting the requirements of sustainable development,]

[*Affirming* that responses to climate change should be coordinated with social and economic development in an integrated manner with a view to avoiding adverse impacts on the latter, taking into full account the legitimate priority needs of developing countries for the achievement of sustained economic growth and the eradication of poverty,]

Option 1 [*Welcoming* that significant progress has been made in the implementation of decision 5/CP.7 and *noting* that work towards the implementation of that decision should continue,]

Option 2 [*Noting* that limited progress has been made and that there are still significant gaps in the implementation of decision 5/CP.7, and that there is a need to further the implementation of Article 4, paragraphs 8 and 9, of the Convention and decision 5/CP.7, with a view to building on work and activities already undertaken, particularly on the outcomes of the different workshops under decision 5/CP.7,]

[*Recognizing* the specific needs and concerns of developing country Parties referred to in Article 4, paragraph 8, and the specific needs and special situations of the least developed countries referred to in Article 4, paragraph 9, of the Convention,]

[*Reaffirming* that Parties should protect the climate system for the benefit of present and future generations of humankind, on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities, and that, accordingly, the developed country Parties should take the lead in combating climate change and its adverse effects,]

[*Reaffirming* that full consideration should be given to the specific needs and special circumstances of developing country Parties, especially those Parties that are particularly vulnerable to the adverse effects of climate change, and of those Parties, especially developing country Parties, that would have to bear a disproportionate or abnormal burden under the Convention,]

[*Acknowledging* that the impact of the implementation of response measures will differ significantly from country to country, depending on each country's national circumstances, including the structure of its economy, trade and investment, natural resource endowment, social system, legal regime and population growth rate,]

[*Acknowledging* the efforts already made by Parties to meet the specific needs and concerns of developing country Parties, in particular the least developed countries, with regard to adaptation,]

[*Insisting* that action related to adaptation follow an assessment and evaluation process, based on national communications and/or other relevant information, so as to prevent maladaptation and to ensure

that adaptation actions are environmentally sound and will produce real benefits in support of sustainable development,]

Having considered the reports on the workshops referred to in paragraphs 32 – 37 of decision 5/CP.7,¹

1. *Invites* Parties and relevant international organizations to submit to the secretariat, by 15 May 2004, information on current and/or planned activities including, where appropriate, support programmes, to meet the specific needs and circumstances of developing country Parties arising from the adverse effects of climate change [and the adverse effects of the implementation of response measures], implemented in support of the various provisions of decision 5/CP.7;

2.

Option 1: Requests the secretariat to prepare a document synthesizing the submissions referred to in *paragraph 1* above, as well as related information in national communications and other reports presented to the Conference of the Parties, for consideration by the Subsidiary Body for Implementation at its twenty-first session [, with a view to recommending further actions necessary to implement decision 5/CP.7]; [and to report on this synthesis to the SBI at its twenty-first session;]

Option 2: Requests the secretariat to prepare a document synthesizing the submissions referred to in *paragraph 1* above, as well as related information in national communications and other reports presented to the Conference of the Parties;

Requests the SBI to consider the document referred to in *paragraph 2* above;

3.

Option 1: Invites Parties and relevant international organizations to submit to the secretariat, by 15 May 2004, views on [possible elements of a work programme on] insurance [and risk assessment] in the context of Article 4.8 and 4.9 of the Convention, for consideration by the Subsidiary Body for Implementation at its twenty-first sessions [, with a view to recommending a draft decision for adoption by the Conference of the Parties at its tenth session];

Option 2: Invites Parties and relevant international organizations to include, in their submissions referred to in *paragraph 1* above, further views on insurance and risk assessment in the context of decision 5/CP.7, taking into account the outcomes of the workshops under paragraphs 34 and 35 of that decision;

4. [*Decides* to explore possible mechanisms or arrangements to provide international support for engaging the private insurance sector in the development of alternative risk transfer mechanisms for vulnerable countries and/or to provide reinsurance for public or national insurance schemes, or national and regional disaster funds;]

4. bis [*Decides* to further explore, through the holding of an expert round-table on insurance and risk assessment, to which experts in relevant fields could be invited, prior to the tenth session of the Conference of the Parties:

(a) Possible collaboration between the climate change community, disaster community, government programmes and private insurance sectors;

¹ FCCC/SBI/2002/9, FCCC/SBI/2003/11, FCCC/SB/2003/1, FCCC/SBI/2003/18, FCCC/SBI/2003/INF.2.

- (b) Private-public partnerships linking insurance mechanisms and risk-reduction mechanisms;
- (c) Ways to build capacity, at the national level, for risk management, risk financing and risk transfer to better manage the impacts of extreme weather events;
- (d) Means to engage the private sector in the development of alternative risk transfer mechanisms;]

4. ter [Decides to establish a forum on insurance to address the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures;]

5.

Option 1: [Requests the secretariat to organize three regional workshops before the eleventh session of the Conference of the Parties, and] invites Parties to submit to the secretariat, by 15 March 2004, views on possible terms of reference for the regional workshops referred to in paragraph 32 of decision 5/CP.7, further elaborated in paragraph 39 (e) of the report of the Subsidiary Body for Implementation at its seventeenth session;²

[The terms of reference for these regional workshops could include, inter alia,

- (a) Modalities for assisting developing country Parties in the implementation of sections I and III of decision 5/CP.7;
- (b) Support from the Global Environment Facility and its implementing agencies on existing and planned support programmes including through the Special Climate Change Fund;
- (c) Sharing of experience by Parties not included in Annex I of the Convention in accessing funding for the Global Environment Facility;]

Option 2: Requests the secretariat to organize, before the eleventh session of the Conference of the Parties, the three regional workshops, as outlined in paragraph 32 of decision 5/CP.7, in order to facilitate information exchange and integrated assessments, including for adaptation, taking into account differences between regions, and to invite relevant international organizations to participate in the workshops;

6. [Requests Parties included in Annex II to the Convention to mobilize technical and financial resources, including through the special climate change fund, to support, as a high priority, adaptation activities at national and regional levels to address the adverse effects of climate change through, inter alia, a prompt start to country-driven projects under paragraph 8 of decision 5/CP.7;]

6 bis. [Requests entities identified in paragraph 8 of decision 5/CP.7 to continue to consider the provisions contained therein;]

7. [Requests the Subsidiary Body for Scientific and Technological Advice [under its agenda item on XXXX] to consider, at its twentieth and twenty first sessions, the outcome of the workshop on modelling activities³ and to explore, at its twentieth and twenty-first sessions, what further action is needed in this context, with a view to recommending further action for consideration by the Conference of the Parties at its tenth session,] [such actions to include, inter alia:

² FCCC/SBI/2002/17.

³ FCCC/SBI/2002/9.

- (a) Dissemination of modelling tools and models to Parties not included in Annex I to the Convention and ensuring increased collaboration in modelling activities on an ongoing basis;
- (b) Development of methodologies to assist developing countries to examine vulnerability to the impact of the implementation of response measures;
- (c) Examination of mechanisms to be established to develop draft guidance documents on how to undertake socio-economic assessments of response measures which could then be piloted in a few countries with a view to developing more detailed and comprehensive guidance;
- (d) Development, as a high priority and in collaboration with international organizations, of methodologies to assess the impacts on developing countries of policies already implemented by Parties included in Annex I to the Convention by expanding coverage of current models for evaluating the adverse effects of climate and the impact of the implementation of response measures;]
- 7 bis. [*Requests* Parties to consider at the twentieth session of the subsidiary bodies whether the outcomes from the report on the workshop on the status of modelling activities should be discussed at future sessions;]
8. [*Invites* Parties to submit, to the secretariat, by 15 March 2004, views on possible actions arising out of the workshop on modelling for consideration by the SBSTA at its twentieth session;]
9. [*Requests* the Subsidiary Body for Implementation to develop, under relevant agenda items, guidelines for the preparation of national communications, to address the provisions of decision 5/CP.7, paragraphs 22–29, for Parties included in Annex I to the Convention and for Parties not included in Annex I to the Convention;]
- 9 bis. [*Requests* non-Annex I Parties to provide information, in their national communications and/or other relevant reports, on their specific needs and concerns arising from the impact of the implementation of response measures;]
- 9 ter [*Requests* Annex II Parties to provide detailed information, in their national communications and/or any other relevant reports, on their existing and planned support programmes to meet the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures;]
10. [[*Decides* to establish an expert group on economic diversification to consider the following elements:] [*Requests* the Subsidiary Body for Implementation to consider, as appropriate, the following elements, arising from the report of the workshop on economic diversification, and to make recommendations on them to the Conference of the Parties at its tenth session:]
- (a) The integration of sustainable development with economic diversification;
- (b) Exchange of experience in economic diversification and lessons learned, with a view to identifying what technical assistance may be needed to develop structural and institutional capacity and/or to establishing a mechanism for facilitating efforts to achieve economic diversification;
- (c) Coordination by the secretariat with relevant international organizations and the private sector in developed countries on matters relating to economic diversification;]
- 10 bis [*Requests* Parties to consider at the twentieth session of the Subsidiary Body for Implementation whether the outcomes from the report on the workshop on economic diversification should be discussed at future sessions;]

11. [*Decides* to assess, at its tenth session, the status of implementation of [decision 5/CP.7] [Article 4, paragraph 8, of the Convention] and to consider further action thereon;]

11 bis. [*Requests* the Subsidiary Body for Implementation, at its 21st session, to continue to consider progress on the implementation of activities under decision 5/CP.7;]
