



**UNITED
NATIONS**



**Framework Convention
on Climate Change**

Distr.
GENERAL

FCCC/SBI/2004/INF.14
5 November 2004

ENGLISH ONLY

SUBSIDIARY BODY FOR IMPLEMENTATION

Twenty-first session

Buenos Aires, 6–14 December 2004

Item 3 (b) of the provisional agenda

National communications from Parties included in Annex I to the Convention

Report on the workshop on the preparation of fourth national communications

**Report on the workshop on the preparation of fourth national
communications from Parties included in Annex I to the Convention**

Note by the secretariat

Summary

A workshop on the preparation of fourth national communications by Parties included in Annex I to the Convention (Annex I Parties) was organized by the UNFCCC secretariat and held in Dublin, Ireland, from 30 September to 1 October 2004. The workshop was designed to facilitate the timely submission of fourth national communications by Annex I Parties, which are due by 1 January 2006, and encourage the exchange of views among technical experts on the comparability and transparency of the information in the communications. This document describes the workshop and highlights some good practices and examples of collecting, assessing and reporting of information in national communications.

CONTENTS

		<i>Paragraphs</i>	<i>Page</i>
I.	MANDATE.....	1	3
II.	PROCEEDINGS	2–13	3
III.	SUMMARY BY THE CHAIR.....	14–40	5
	A. National circumstances and greenhouse gas emission inventories.....	15–18	5
	B. Policies and measures	19–23	6
	C. Projections and the total effect of policies and measures	24–28	7
	D. Vulnerability assessment, climate change impacts and adaptation	29–32	8
	E. Financial resources and transfer of technology	33–35	9
	F. Research and systematic observation.....	36–38	9
	G. Education, training and public awareness.....	39–40	10

I. Mandate

1. The Conference of the Parties (COP), by its decision 1/CP.9, requested the secretariat to organize a workshop on the preparation of fourth national communications by Parties included in Annex I to the Convention (Annex I Parties). The purpose of the workshop was to facilitate the timely submission of fourth national communications by Annex I Parties, which are due by 1 January 2006. To that end, the workshop had to address problems encountered by Parties in preparing national communications and encourage the exchange of views among technical experts on the comparability and transparency of the information in national communications. Also, it had to provide an opportunity for these experts to discuss their plans for, and share their experience in, using the reporting guidelines on national communications¹ adopted by the COP by its decision 4/CP.5.

II. Proceedings

2. The workshop was held in Dublin, Ireland, from 30 September to 1 October 2004 on the invitation of, and with support from, the Government of Ireland. The workshop was chaired by Ms. Daniela Stoycheva, the Chair of the Subsidiary Body for Implementation.

3. In total, 63 experts and representatives from Parties and organizations attended the workshop: 56 representatives nominated by Annex I Parties, including 12 nominated by Annex I Parties with economies in transition; 4 experts and representatives nominated by Parties not included in Annex I to the Convention (non-Annex I Parties); 1 representative from the International Energy Agency (IEA); and 2 representatives from environmental non-governmental organizations (NGOs) – Climate Action Network International and the Verification, Research, Training and Information Centre.

4. Mr. Owen Ryan, head of the Air and Climate Unit, Department of the Environment, Heritage and Local Government, Ireland, opened the workshop and welcomed participants. Ms. Daniela Stoycheva introduced the workshop mandate and emphasized the role that national communications have played as an important source of information on the implementation of the Convention commitments by Annex I Parties.

5. Mr. Vitaly Matsarski, UNFCCC secretariat, introduced the workshop objectives, approach and the expected outcome. In terms of approach, he noted that the presentations by the secretariat would provide, on each topic of the national communications, highlights of the UNFCCC reporting guidelines, some challenges and good practices in reporting. They would be followed by presentations with concrete examples by representatives of the Parties and intergovernmental organizations. He reviewed the COP decisions relevant to the preparation of national communications by Annex I Parties, in particular decisions 3/CP.5 and 4/CP.5 on reporting of information in the national communications; decision 5/CP.7 on climate change impacts, adaptation and impacts from response measures; and decision 11/CP.8 on the New Delhi work programme on Article 6 of the Convention. He stressed that the workshop should contribute to the timely submission of national communications by 1 January 2006 (decision 1/CP.9), should provide information on the lessons learned from the preparation of previous national communications and should contribute to increased consistency in the use of the UNFCCC reporting guidelines, and to consistency, comparability and completeness of the information reported in the national communications.

¹ “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part II: UNFCCC reporting guidelines on national communications” (FCCC/CP/1999/7, pages 80–100), hereinafter referred to as the UNFCCC reporting guidelines.

6. The first session was on national circumstances and greenhouse gas (GHG) inventory information. The secretariat made an introductory presentation, which was followed by presentations from Finland, Denmark, Italy and Belgium. The underlying theme of the presentations was the key drivers for emissions in the context of reporting in the section on national circumstances and GHG emission inventory.
7. The second session was on vulnerability assessment, climate change impacts and adaptation measures. The secretariat made an introductory presentation, which was followed by presentations from Austria and Croatia. In the ensuing discussion, participants emphasized that together with further improvements of climate change scenarios at the regional and national level, it is equally important to develop, apply and report on the new bottom-up methods and multidisciplinary approaches for assessment of vulnerability and adaptation, and formulating adaptation policies and strategies.
8. The third session was on policies and measures. The secretariat made an introductory presentation, which was followed by presentations by a representative from the IEA, New Zealand, the United States of America, the Netherlands and the United Kingdom of Great Britain and Northern Ireland. The presentations and discussion covered policies and measures implemented at different levels of government, correlation between the reporting by sector in the policies and measures chapter of national communications and the inventories and projections chapters, and how Parties assess and report on mitigation effects and cost of policies and measures. In particular, the IEA presentation provided an overview of the IEA database on policies and measures and the possibility to use the database information for the preparation of fourth national communications.
9. The fourth session was on research and systematic observation. The secretariat made an introductory presentation, which was followed by presentations from the European Community (EC) and the Russian Federation. Issues relating to organization of research and systematic observation, new and innovative research initiatives and some problems that Parties faced in reporting on research and systematic observation following the UNFCCC reporting guidelines on global climate observing systems were dealt with in the presentations and the discussion.
10. The fifth session was on projections and the total effects of policies and measures. The secretariat made an introductory presentation, followed by presentations by Mr. Micheal Young, Ireland, who provided a summary of the results of the workshop on emission projections held in Bonn, Germany, from 6 to 8 September 2004. Highlights of experiences by Parties in reporting on this section of the national communication were provided by Norway, Finland, Australia, the Czech Republic and Denmark. The presentations and the discussion dealt with types of emission scenarios, sensitivity of these scenarios to key drivers and uncertainties of projections stemming from some political decisions yet to be made, e.g. phasing out nuclear power. They also dealt with consistency between projections and inventory and policies and measures, in particular consistency between estimates of effects of the key policies and measures (e.g. according to table 1, "Summary of policies and measures by sector", in the UNFCCC reporting guidelines) and the overall effect of policies and measures reported in the projection section of the national communications.
11. The sixth session was on education, training and public awareness, referred to hereinafter as Article 6 activities. The secretariat made an introductory presentation, which was followed by presentations by Canada and Sweden. Key issues addressed in the presentations and the discussion were the role of monitoring, evaluation and reporting in enhancing policy performance of, and international cooperation on, Article 6 activities, and reporting thereon. The participants noted the role of Article 6 activities in engaging all stakeholders and major groups in the development and implementation of climate policy, and drew attention to their ongoing efforts in developing a country-driven work programme to enhance cooperation, coordination and exchange of information in both national and international forums. The national communications' chapter on Article 6 activities was seen as the main channel for reporting on these activities, including on the implementation of the New Delhi work

programme on Article 6. Most Parties intend to include a report of their actions on implementing this work programme in their national communications rather than produce a separate publication.

12. The seventh session was on financial resources and technology transfer. The secretariat made an introductory presentation, which was followed by presentations by the United States and Japan. The presentations and discussion broadly covered reporting on multilateral and bilateral activities with a distinction between mitigation and adaptation elements, reporting on the involvement of the private sector in projects and programmes for international cooperation, reporting on “new and additional” resources and the usefulness of the so-called “Rio-markers” in the context of the Organisation for Economic Co-operation and Development (OECD) reporting system on contributions to the Rio Conventions to improve reporting.

13. In the concluding session of the workshop, the secretariat first provided an overview of the decisions by the COP relating to the reporting on demonstrable progress under the Kyoto Protocol and then recalled that according to decision 25/CP.8 this report is due by 1 January 2006 (the same date for submission of the fourth national communications). It clarified, that if the Parties meet the deadline for submission of the fourth national communication by 1 January 2006, this effectively means a submission by the end of 2005. Then according to the UNFCCC reporting guidelines, the inventory data and other related information reported in the national communications should be consistent with information reported in 2005 inventory submission.² Some participants said that they are likely to produce two separate reports (demonstrable progress and the fourth national communication), whereas others said that they would produce these reports as a single document. The Chair of the workshop provided a detailed summary of the main issues identified in general and in each one of the workshop sessions.

III. Summary by the Chair

14. The presentations by Parties and the ensuing discussion suggested that many Parties, e.g. the EC and Japan, have already initiated their planning for analytical work that would form the basis for the preparation of the fourth national communications. The participants noted the usefulness of the exchange of information on country experiences in the preparation of the third and fourth national communications, problems they faced and ways to address these problems, the need for consistency in the use of the UNFCCC reporting guidelines and the need to consider the comments from the in-depth reviews from the previous national communications. They also noted the need for the secretariat to facilitate further exchange in the preparation of the fourth national communications, for example by setting up a web page.

A. National circumstances and greenhouse gas emission inventories

15. Participants pointed out the usefulness of the reporting in the section on national circumstances as a basis for reporting in the subsequent sections on policies and measures, emissions projections, impacts and adaptation and other issues. They noted, in particular, the need for comprehensive reporting on the governmental and institutional structure, especially in cases of large countries, or countries with a substantial level of devolution of power to the regional and local governments, and cases where the national target for emission limitation could be translated into targets at the lower levels of government.

² If the submission of the national communication is later than 1 January 2006, then, according to the UNFCCC reporting guidelines, the inventory data and other related information reported in the national communications should be consistent with information reported in the 2006 inventory submission. In both cases, timely submission or delay, any differences between the inventory information contained in the national communication and annual inventory submission should be fully explained (see paragraph 10 of the UNFCCC reporting guidelines, FCCC/CP/1999/7).

16. The participants stressed that there were still different approaches for reporting on national circumstances in the third national communication. To ensure consistent, concise yet complete reporting they suggested that the secretariat compile information on these approaches based on the third national communication and place this information on the UNFCCC web site.

17. The importance of reporting on the key drivers for the emission trends in the sections on national circumstances and on inventories was a recurrent theme during the presentations and the discussion. The participants noted that some indicators could be useful to analyse the key drivers and to explain new developments that influence emission trends, for example the increase in energy consumption for air conditioning in the summers and the associated increase in emissions. Criteria for selecting these indicators could include clear definition, policy relevance, transparency (well documented and relying on available statistical data) and comparability. They also noted the usefulness of having a non-prescriptive list of such indicators, which could be used by the Parties when preparing for the fourth national communications. The relevance of the issue of indicators to the ongoing work of the secretariat on compilation from authoritative sources of emission data and relevant socio-economic data was also noted.³

18. The indicators could help to explain problems and success stories in emissions mitigation. They could also help to separate the effects of structural changes in the economy on emission levels from effects of efficiency improvement per unit production or per unit of energy services. The participants expressed interest in the method of decomposition analysis reported in the in-depth review of Germany. This method allowed assessment in quantitative terms and the separation of effects on emissions from improvements in energy efficiency, changes in the energy supply mix, and growth in population and the gross domestic product (GDP).⁴

B. Policies and measures

19. Participants noted the need for comprehensive reporting on policies and measures and their effects at the national level. They also noted that, when relevant, reporting on policies and measures and their effects at levels below the national level (for example at the state, province and municipality levels), and on measures undertaken by the private sector, could be done by providing some examples, but not by comprehensive coverage of all relevant activities and their effects. Particular issues mentioned in the context of the preparation of the policies and measures section in the fourth national communications included transparency in reporting on the status of implementation of policies and measures, cost estimates, co-benefits, how policies interact, continuity with the policies and measures reported in the third national communications, the use of the Kyoto mechanisms and issues relating to the Marrakesh Accords, including on the issues addressed in decision 22/CP.7. A need to include an annex to the national communication with information on the use of the Kyoto mechanisms was also mentioned.

20. The usefulness of having a robust reference (or baseline scenario) in the fourth national communication to estimate the effect of individual policies and measures, or of collection of them, was acknowledged by the participants. This included effects already delivered (ex-post), and effects expected in the future (ex-ante), e.g. for years 2010, 2015 and 2020. Robust estimates of the effects of domestic policies and measures appeared increasingly important, given the consideration of the concept of

³ For more detail see item 5 (d) in the provisional agenda of the twenty-first session of the SBSTA (FCCC/SBSTA/2004/7).

⁴ Hans-Joachim Ziesing. 2003. CO₂ emissions in 2002 – only a slight reduction. *Economic Bulletin of the German Institute for Economic Research* 40 (4): 121–130. J. Schleich, W. Eichhammer, U. Boede, F. Gagelmann, E. Jochem, B. Schlomann, H.-J. Ziesing. 2001. Greenhouse gas reductions in Germany – lucky strike or hard work? *Climate Policy*, 1, 363–380. Jari Kaivo-oja, Jyrki Luukkanen. 2004. The European Union balancing between CO₂ reduction commitments and growth policy: Decomposition analyses, *Energy Policy*, 32, 1511–1530. IEA/OECD. 2004. Oil crises and climate changes: 30 years of energy use in IEA countries.

“supplementarity”⁵ in the context of the Kyoto Protocol. The participants also acknowledged that estimating cost⁶ and cost-effectiveness of policies and measures is essential for explaining policy choices within the overall national policy portfolios.

21. Some participants noted some difficulties in obtaining quantitative estimates of the effects of policies and measures. They noted difficulties relating to the estimating of effects from policies and measures implemented in agriculture due to the geographical distribution of the agricultural sector; the need to estimate mitigation effects at the farm scale for all three GHGs and to scale-up the results to the national level; the low response rate to surveys; issues relating to confidentiality; and effects from individual measures not necessarily being additive. They also noted difficulties relating to the need to estimate near-term effects from measures designed to meet long-term objectives, such as support for research and development of new technologies, including carbon sequestration and hydrogen fuel cells.

22. Also, on the estimates of effects from policies and measures, the participants noted that it may not always be possible to reconcile the differences between the effects of individual policies and measures, or collections of policies and measures (reported in the policies and measures section of the national communication) and their overall effect (reported in the projection section). This could be the case when one set of models (e.g. detailed bottom-up models) or expert estimates is used to assess effects of individual policies and measures, or collections of them, and another set of models (e.g. more aggregated top-down models) is used to estimate their overall effect. When a single modelling framework is used for both – estimating the effects from individual policies and measures, or collections of them, and projecting their overall effects – such differences are easier to reconcile.

23. Some issues relating to reflecting in the models the effects of particular instruments, such as voluntary agreements and measures in particular sectors, such as agriculture, and land-use change and forestry, were also noted. New Zealand, the United Kingdom and the Netherlands provided information on recent climate policy development, vis-à-vis assessing the effects of policies and measures and approaches for concise and transparent reporting thereon

C. Projections and the total effect of policies and measures

24. Participants noted that projections are a useful tool for climate change policy formulation and implementation. When the Kyoto Protocol enters into force, the role of projections will probably be increased, especially considering decisions on emission quota allocations.

25. On the overall reporting of information on projections, the participants noted the need to enhance transparency, comparability and consistency of information. They also noted the need for a clear description of the methods used and explanations of the impact from the key drivers on projection results. They further noted that although approaches and tools used in preparing projections are likely to remain non-uniform, more consistent ways of presentation of information in national communications is possible and should be encouraged. The template for a table for reporting of projections by sector and by gas that came as an output from the projections workshop could be a useful tool for more consistent and comparable reporting.⁷

26. Regarding scenarios, participants noted the roles of different scenarios in the policy-making process, how easy it is to construct scenarios and the need for consistent definition of these scenarios. It

⁵ This concept is that the use of the Kyoto mechanisms by Annex I Parties shall be supplemental to domestic action for the purposes of meeting quantified limitation and reduction commitments under Article 3, paragraph 1 (FCCC/CP/2001/13/Add.3 and decision 5/CP.6)

⁶ Reference was made by the Netherlands to the financial cost of the measures for final users of products to which a specific policy instrument is applied; national cost to the government of measures; and the cost to the government of implementing particular policy instruments.

⁷ See document FCCC/SBSTA/2004/INF.15.

appeared that despite some methodological difficulties, many Parties are likely to prepare a “without measures” scenario, in order to measure the total effect of policies and measures in comparison with their “with measures scenario”. It also appeared that some differences remain in the way Parties select measures to be included in the “with measures” scenario and “with additional measures” scenario. One lesson learned from the preparation of projections in the past, and in comparing them with the actual development, is that in some cases there is a need not only for three scenarios as defined by the UNFCCC reporting guidelines, but also for some additional scenarios, to reflect, for example, different assumptions about GDP growth and some non-climate-related political choices with large impact on emission trends, e.g. phasing out nuclear energy.

27. On reconciling the differences between inventory data and projections, some participants noted that this is sometimes difficult. An example of complete, transparent and consistent reporting in this context, broadly following the Intergovernmental Panel on Climate Change classification by sector, was provided by Denmark.

28. Modelling the effects of policies and measures is becoming increasingly complex, especially with the need to model the shift from the existing policies and measures to some new policy direction, such as introduction of emissions trading schemes. This is reflected in the increased complexity of the models and modelling approaches used by the Parties and the plans for further development. Examples of such modelling were provided by Norway, Finland, the Czech Republic and Australia. The need to address and explain possible double counting of effects of policies and measures, when reporting on their total effect in the projections section of the national communication, was emphasized. The usefulness of, and need for enhancing the role of, sensitivity analysis, and the usefulness of explanations of the rationale behind the basic assumptions, was also emphasized.

D. Vulnerability assessment, climate change impacts and adaptation

29. Participants noted increased interest in the past several years in vulnerability, impacts and adaptation in both developing and developed countries. At the national level, along with more sophisticated scenario-based assessment of expected climate change impacts, the formulation of practical measures and initial policies on adaptation to climate change have received more attention. In response to the need for identifying concrete adaptation measures, new approaches to the issue of vulnerability and adaptation have been developed and applied in a number of countries. These approaches, often called “vulnerability-based”, “bottom-up” or “multi-stressors” approaches, centre on evaluating vulnerability to all climate-related risks (current and future), involve key stakeholders and eventually lead to formulation of adaptation policies. Examples of possible elements of such approaches were provided in presentations by Croatia and Austria.

30. The participants noted that further work is needed to make the reporting on vulnerability, impacts and adaptation adequate to the current approaches for, and results from, addressing this issue, and to fully adhere to the requirements of the reporting guidelines. In particular, they noted that the UNFCCC reporting guidelines, by referring to Article 4.1 (b) and (e) of the Convention, require Parties to report on the three main elements: assessments of impacts, vulnerability and adaptation; programmes and other action in relation to adaptation to climate change; and cooperation on adaptation.

31. The participants further noted that comprehensive and well structured reporting on vulnerability, impacts and adaptation by Annex I Parties could serve as a useful source of information for developing countries, and as a means for encouraging North–South cooperation and sharing of experiences and good practices. In particular, the need for improvement in the approach to such reporting was noted in the following areas:

- (a) An outline that covers methodology for, and results from, the assessment of impacts, vulnerability and adaptation, and action and cooperation on adaptation in all relevant sectors

- (b) Enhanced clarity in reporting on the above methodologies, which could be achieved, inter alia, by use of the template of the UNFCCC compendium on methods and tools to assess impacts, vulnerability and adaptation⁸
- (c) Enhanced level of detail on new and innovative approaches to vulnerability and adaptation assessment, such as applying risk analysis and considering these risks in formulating adaptation strategies, and involving stakeholders in such assessment
- (d) Clear and concise reporting on the results of assessments and their use in formulating adaptation strategies.

32. Examples of comprehensive and transparent reporting in these areas were provided in the third national communications of a number of countries, including Australia, France, Italy, the United Kingdom and the United States.

E. Financial resources and transfer of technology

33. Participants acknowledged that the UNFCCC reporting guidelines and their requirement to report information, in textual format and in a series of tables, on financial contributions to the Global Environmental Facility and to multilateral, bilateral and regional institutions and programmes, provide clear guidance on how to structure the information. Still, separating mitigation and adaptation components from the overall financial contributions to projects implemented in developing countries was seen as a challenge due to a lack of clear criteria.

34. Reporting on definitions and criteria for identifying resources as “new and additional” also remained a challenge. The use of the results from the test phase of applying the so-called “Rio-markers” by the OECD/Development Assistance Committee (OECD/DAC) was considered a possible approach to improve reporting on this issue. The third national communication of the Netherlands was seen as a good example of the use of these markers in reporting on financial resources.

35. The workshop participants stressed the need for complete, comparable and transparent reporting of information on technology transfer. The approach by the United States to the categorization of financial flows relating to adaptation, which involves including some additional categories, such as water supply and disaster preparedness, was seen as contributing to enhanced transparency. Japan noted that information from some existing databases (i.e. the Creditor Reporting System of OECD/DAC) and reports provided under other international conventions (e.g. United Nations Convention to Combat Desertification, the Convention on Biological Diversity and the Ramsar Convention) could be used in national communications to ensure completeness in reporting and consistency of information provided through different reporting channels. Collecting and reporting information on private sector activities in technology transfer was seen as a major issue given the significance of private sector financial flows.

F. Research and systematic observation

36. Participants noted the emphasis on reporting on related actions and programmes and on the support for related capacity-building in developing countries. Separate reporting on activities relating to global climate observing systems proved to be useful for assessing the status of these systems, for addressing the deficiencies in monitoring systems at the national level, and for identifying some common trends, such as a decrease in the number of observation stations.

37. Despite achieving progress in reporting, the participants acknowledged several possible areas for further improvement. These include the need for transparent, comprehensive and concise reporting on innovative approaches and significant efforts relating to action taken on research, such as reporting on

⁸ See <http://unfccc.int/program/mis/meth/index.html>.

new research initiatives and programmes or new developments in cooperation. The relevant research results could be summarized in the respective sections of national communications (results from climate studies, modelling, research on impacts and adaptation technologies could be reported in the impacts, vulnerability and adaptation section, and results from research on mitigation technologies could be reported in the policies and measures section). In this context, an example of presenting information was provided by the EC and the Russian Federation.

38. Participants acknowledged some challenges in gathering information on private research and development initiatives, especially in the area of technologies, and reporting thereon. In the area of systematic observation, the importance of reporting on existing deficiencies in relation to the global climate observing system networks, and adherence to monitoring principles relating to these systems, was highlighted.

G. Education, training and public awareness

39. Participants noted enhanced public participation in the preparation of national communications and governments' web sites on national climate strategy as useful in increasing the visibility of national climate policy. Also, monitoring and evaluation of public awareness activities was emphasized as important for demonstrating progress in raising public awareness and the public's understanding of climate change issues, and for further increasing effectiveness of public awareness initiatives. In particular, Sweden stressed the need to establish a complete set of monitoring and evaluation elements, including a baseline, explicit targets, a "logical chain" showing how public awareness activities lead to results, a set of common key indicators, a mechanism for capturing both quantitative progress and "softer" qualitative impacts on a continuous basis, and ongoing communications with key players to reflect on their activities and results. The participants noted several specific programmes aimed at enhancing capacities in developing countries in the area of Article 6 activities.

40. Sweden also stressed the need to increase public awareness of climate change through better information about the environmental impact of products, and by supporting efforts to change patterns in consumer behaviour. It provided an example of its Klimp campaign aimed at reducing household emissions, energy consumption and waste by influencing consumer choices and behaviour. Canada provided an overview of its Article 6 programmes and emphasized the importance of measuring the impacts and reporting. The presentation included a description of Canada's One-Tonne Challenge Programme, a social marketing programme managed by the government that calls for action by citizens to reduce their emissions.
