



Subsidiary Body for Implementation

Thirty-eighth session

Bonn, 3–14 June 2013

**Report of the Subsidiary Body for Implementation on its
thirty-eighth session, held in Bonn from 3 to 14 June 2013**

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Background	1–3	2
II. Opening of the session	4	2
III. Organizational matters	5–18	2
A. Adoption of the agenda	5–15	2
B. Closure of the session	16–18	4
Annexes		
I. Supplementary provisional agenda		5
II. Mandated events during the thirty-eighth session of the Subsidiary Body for Implementation		7

I. Background

1. On 17 April 2013, the Executive Secretary, in agreement with the Chair of the Subsidiary Body for Implementation (SBI), Mr. Tomasz Chruszczow (Poland), issued a provisional agenda for SBI 38, which is contained in document FCCC/SBI/2013/1.
2. The Russian Federation, Belarus and Ukraine, in communications dated 26 April, 7 May and 15 May 2013, respectively, requested the secretariat to include an agenda item entitled “Procedural and legal issues relating to decision-making by the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol” on the provisional agenda for SBI 38.
3. In accordance with rule 12 of the draft rules of procedure being applied, and in agreement with the Chair of the SBI, the supplementary provisional agenda was issued as document FCCC/SBI/2013/1/Add.1, which includes the item proposed by Belarus, Russian Federation and Ukraine as item 19 (see annex I).¹

II. Opening of the session

4. The Chair of the SBI opened SBI 38 on Monday, 3 June, and welcomed all Parties and observers. He also welcomed Mr. Robert F. Van Lierop (Saint Kitts and Nevis) as Vice-Chair of the SBI and Ms. Mabafokeng F. Mahahabisa (Lesotho) as Rapporteur. The Executive Secretary made a statement.

III. Organizational matters

A. Adoption of the agenda

5. At its 1st meeting, on 3 June, the SBI considered the note by the Executive Secretary containing the supplementary provisional agenda (FCCC/SBI/2013/1/Add.1). The Chair proposed adopting the agenda as presented in the supplementary provisional agenda.
6. Statements were made by representatives of five Parties, including one speaking on behalf of the Group of 77 and China and one on behalf of the European Union and its 27 member States and Croatia.
7. The SBI was not able to adopt its agenda, as there was no consensus on the inclusion of the agenda item proposed by Belarus, Russian Federation and Ukraine referred to in paragraph 2 above.
8. At the same meeting, the Chair then proposed launching work on the basis of the supplementary provisional agenda, while his Vice-Chair would hold consultations in relation to item 19 of the supplementary provisional agenda. That proposal was not supported by all Parties and the meeting was suspended in order to allow for consultations by the Chair and the heads of delegations on how to handle item 19 of the supplementary provisional agenda.²

¹ The proposal from the three Parties was to include it as sub-item 17(a) of the provisional agenda.

² While work in contact groups and informal consultations could not proceed, events mandated by a previous session of the Conference of the Parties, the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol or the SBI to take place in conjunction with SBI 38 were held as planned (see annex II).

9. After those consultations, the 1st meeting was reconvened, at which the Chair informed Parties that no agreement had been reached on the way forward. The Chair reiterated his proposal to launch work on the basis of the supplementary provisional agenda while the Vice-Chair would hold consultations on how to deal with the proposal by Belarus, Russian Federation and Ukraine.

10. Statements were made by representatives of 17 Parties, including one speaking on behalf of the Group of 77 and China, one on behalf of the Alliance of Small Island States (AOSIS), one on behalf of the least developed countries (LDCs), one on behalf of the European Union, one on behalf of the Independent Association for Latin America and the Caribbean, one on behalf of the African States and one on behalf of the Environmental Integrity Group (EIG).

11. There was no consensus on the way forward, and the Chair suspended the meeting to allow for extensive informal consultations.³ A short plenary meeting was convened on Wednesday, 5 June to inform all Parties of the status of the consultations.⁴

12. On Friday, 7 June, the 1st meeting was again reconvened in the morning in order to take stock of the ongoing consultations and to allow the proponents to elaborate on the substantive aspects of their proposal. Representatives of 11 Parties made statements, including one on behalf of the Group of 77 and China, one on behalf of the European Union and one on behalf of the EIG. The meeting was suspended in order to allow Parties to engage in further discussions in an informal ‘friends of the Chair’ setting.⁵

13. The 1st meeting was ultimately resumed on Tuesday, 11 June. At that meeting, the Chair provided a comprehensive summary of the consultations and developments since the first plenary meeting on 3 June. He then proposed that the agenda be adopted with item 4(b) held in abeyance and item 19 deleted, with the understanding that the SBI, when agreeing on the organization of the work under agenda item 17, on arrangements for intergovernmental meetings, would establish a contact group that would also consider the issues raised by Belarus, Russian Federation and Ukraine as presented in item 19 of the

³ On the next day, Tuesday, 4 June, the Chair and the Vice-Chair held a series of bilateral meetings with interested Parties and groups of Parties. At the end of those meetings, the Chair and the Vice-Chair noted that there were some shared views among Parties but no agreement on a solution. On Wednesday, 5 June, the Chair and the Vice-Chair brought together different Parties in an attempt to forge a mutual understanding and to bring about a solution that would allow the SBI to commence its work. However, while Parties worked in a constructive spirit, a compromise appeared to be beyond their reach.

⁴ Bilateral consultations continued throughout Thursday, 6 June. Late in the afternoon on that day an informal, open-ended meeting of the SBI was convened in order to allow Parties to further explore the possible areas of convergence in an informal setting.

⁵ The ‘friends of the Chair’ meeting aimed at finding options paving the way for the adoption of the agenda, while taking into account the issues raised by Belarus, Russian Federation and Ukraine. During this informal meeting, the Chair invited Parties to provide written submissions on the way forward. Two such submissions were subsequently received, one from the Group of 77 and China and one from the EIG. The ‘friends of the Chair’ meeting was reconvened on Saturday, 8 June by the Vice-Chair, at which Parties began to discuss the possible text for a statement that would be read by the Chair of the SBI in plenary before the adoption of the agenda, based on the two submissions received from the Group of 77 and China and the EIG, respectively. The understanding by the Parties was that the text of the statement would be included in the report of the SBI on the session. However, Belarus, Russian Federation and Ukraine stated that although the text was useful, it could not be considered as their preferred option. The meeting was then suspended and reconvened on Monday, 10 June, in the morning. As Parties were unable to reach a final agreement, the meeting was adjourned. In the afternoon, the Chair and the Vice-Chair held further consultations with the Russian Federation and Ukraine, which then handed over a formal submission with their preferred options for a solution to how to handle their proposal. None of these options, however, led to a resolution of the issue.

supplementary provisional agenda. The adoption of the agenda was objected to by those three Parties.

14. Representatives of 28 Parties made statements, including one on behalf of the Group of 77 and China, one on behalf of the EIG, one on behalf of the European Union, one on behalf of the LDCs, one on behalf of the African States and one on behalf of AOSIS.

15. A final attempt was made by the Chair to propose the agenda for adoption, but there was again no consensus on the proposal. A statement was made by the Executive Secretary before the Chair adjourned the meeting and invited Parties to reconvene in plenary on Friday, 14 June for the 2nd meeting of the SBI in order to close the session.

B. Closure of the session

16. At the closing plenary meeting, held on 14 June, representatives of 15 Parties made statements, including one on behalf of the Group of 77 and China, one on behalf of the EIG, one on behalf of the European Union, one on behalf of the LDCs, one on behalf of the African States, one on behalf of AOSIS, one on behalf of the Independent Association for Latin America and the Caribbean and one on behalf of three Parties with economies in transition. Three representatives of non-governmental organizations also made statements on behalf of environmental non-governmental organizations and youth non-governmental organizations.

17. In addition, the Government of Peru, the host proposed by Latin America and Caribbean States for the twentieth session of the Conference of the Parties and the tenth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, delivered a video message to the plenary. While in most of their statements Parties expressed regret that the SBI could not launch its work at this session, they also expressed support for the work of the SBI Chair and the Vice-Chair during the session in facilitating the negotiations by the Parties and looked forward to a productive thirty-ninth session in Warsaw, Poland, in November.

18. Before closing the meeting, the Chair thanked all Parties and observer organizations and invited them to look forward to SBI 39, at which he expects Parties to work in a new spirit of compromise, trust, openness and understanding.

Annex I

Supplementary provisional agenda

1. Opening of the session.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of the work of the session.
3. National communications from Parties included in Annex I to the Convention: status of submission and review of fifth national communications from Parties included in Annex I to the Convention.
4. National communications from Parties not included in Annex I to the Convention:
 - (a) Work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention;
 - (b) Information contained in national communications from Parties not included in Annex I to the Convention;¹
 - (c) Provision of financial and technical support.
5. Nationally appropriate mitigation actions by developing country Parties:
 - (a) Composition, modalities and procedures of the team of technical experts under international consultations and analysis;
 - (b) Work programme to further the understanding of the diversity of nationally appropriate mitigation actions.
6. Coordination of support for the implementation of activities in relation to mitigation actions in the forest sector by developing countries, including institutional arrangements.
7. Matters relating to the mechanisms under the Kyoto Protocol:
 - (a) Review of the modalities and procedures of the clean development mechanism;
 - (b) Review of the joint implementation guidelines;
 - (c) Modalities for expediting the continued issuance, transfer and acquisition of joint implementation emission reduction units;
 - (d) Modalities for expediting the establishment of eligibility for Parties included in Annex I to the Convention with commitments for the second commitment period whose eligibility has not yet been established;
 - (e) Procedures, mechanisms and institutional arrangements for appeals against the decisions of the Executive Board of the clean development mechanism;
 - (f) Report of the administrator of the international transaction log under the Kyoto Protocol.

¹ At the thirty-seventh session of the Subsidiary Body for Implementation (SBI), there was no consensus to include this item on the agenda. It was therefore held in abeyance. On a proposal by the Chair, the SBI decided to include this item on the provisional agenda for its thirty-eighth session.

8. Matters relating to the least developed countries.
9. National adaptation plans.²
10. Approaches to address loss and damage associated with climate change impacts in developing countries that are particularly vulnerable to the adverse effects of climate change to enhance adaptive capacity.³
11. Matters relating to finance:
 - (a) Adaptation Fund under the Kyoto Protocol;
 - (b) Other matters.
12. Development and transfer of technologies and implementation of the Technology Mechanism.
13. Capacity-building.
14. Impact of the implementation of response measures:
 - (a) Forum and work programme;
 - (b) Matters relating to Article 3, paragraph 14, of the Kyoto Protocol;
 - (c) Progress on the implementation of decision 1/CP.10.
15. The 2013–2015 review.
16. Parties included in Annex I to the Convention whose special circumstances are recognized by the Conference of the Parties.
17. Arrangements for intergovernmental meetings.
18. Administrative, financial and institutional matters:
 - (a) Budget performance for the biennium 2012–2013;
 - (b) Programme budget for the biennium 2014–2015;
 - (c) Continuing review of the functions and operations of the secretariat;
 - (d) Implementation of the Headquarters Agreement;
 - (e) Privileges and immunities for individuals serving on constituted bodies established under the Kyoto Protocol.
19. Procedural and legal issues relating to decision-making by the Conference of the Parties and the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
20. Other matters.
21. Report on the session.

² Decision 1/CP.16, paragraphs 15–18.

³ Decision 1/CP.16, paragraphs 26–29.

Annex II

Mandated events during the thirty-eighth session of the Subsidiary Body for Implementation

1. A short overview of the mandated events that took place during the thirty-eighth session of the Subsidiary Body for Implementation (SBI) is provided in this annex.

A. In-forum workshops and expert meeting under the response measures work programme

2. At their thirty-sixth sessions, the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the SBI agreed to implement the work programme on the impact of the implementation of response measures, and requested the secretariat to support, under the guidance of the Chairs of the SBI and the SBSTA, the implementation of the work programme. The work programme included the organization of the following in-forum workshops and meeting during the thirty-eighth sessions of the subsidiary bodies:¹

(a) An in-forum workshop on the topic of exchanging experience and discussion of opportunities for economic diversification and transformation;

(b) An in-forum workshop on the topic of just transition of the workforce, and the creation of decent work and quality jobs;

(c) An in-forum workshop on the topic of assessment and analysis of impacts of response measures;

(d) An in-forum expert meeting on the topic of economic modelling and socioeconomic trends.

3. The in-forum events took place from 4 to 7 June 2013. More information on the events can be found on the UNFCCC website.² The reports on the in-forum workshops and expert meeting will be considered at SBI 39.

B. Second meeting of the Durban Forum on capacity-building

4. At the eighteenth session of the Conference of the Parties (COP), Parties agreed that the 2nd meeting of the Durban Forum would be held during SBI 38 and would explore potential ways to further enhance the implementation of capacity-building at the national level.³

5. The meeting took place on 4 and 6 June. Detailed information on the meeting can be found on the UNFCCC website.⁴ The summary report on the 2nd meeting will be considered at SBI 39.

¹ FCCC/SBI/2012/15, paragraphs 166 and 167.

² <<http://unfccc.int/7418.php>>.

³ Decision 1/CP.18, paragraph 74.

⁴ <<http://unfccc.int/7503.php>>.

C. Workshop under the structured expert dialogue of the 2013–2015 review

6. COP 17 decided that the review referred to in decision 1/CP.16, paragraphs 4 and 138, will be conducted with the assistance of the SBSTA and the SBI, inter alia through workshops and other in-session and intersessional activities.⁵ COP 18 requested the Chairs of the SBSTA and the SBI to take the steps necessary in 2013 for the subsidiary bodies to start the consideration of inputs without delay at their thirty-eighth sessions.⁶

7. The in-session workshop organized in conjunction with SBI 38 and SBSTA 38 aimed at increasing the understanding of existing scientific knowledge and how it could be used to address the two themes of the review: the adequacy of the long-term global goal in the light of the ultimate objective of the Convention; and overall progress made towards achieving the long-term global goal, including a consideration of the implementation of the commitments under the Convention.

8. The workshop took place on 5 June. Detailed information on the workshop can be found on the UNFCCC website.⁷ A report on the structured expert dialogue of the 2013–2015 review for 2013 will be considered at the thirty-ninth sessions of the subsidiary bodies.

D. Workshop on coordination of support for the implementation of activities in relation to mitigation actions in the forest sector by developing countries, including institutional arrangements

9. COP 18 requested the subsidiary bodies to jointly initiate a process on the need to improve the coordination of support for the implementation of activities relating to reducing emissions from deforestation and forest degradation, conservation of forest carbon stocks, sustainable management of forests and enhancement of forest carbon stocks, and, in addressing the matter, to consider existing institutional arrangements or potential governance alternatives, including a body, a board or a committee.⁸ COP 18 also requested the secretariat to organize an in-session workshop on those matters during the thirty-eighth sessions of the subsidiary bodies.⁹

10. The workshop took place on 7 June. Detailed information on the meeting can be found on the UNFCCC website.¹⁰ The report on the workshop will be considered at the thirty-ninth sessions of the subsidiary bodies.

E. NAP Expo

11. SBI 37 requested the Least Developed Countries Expert Group to organize a least developed countries (LDC) national adaptation plan (NAP) event in conjunction with SBI 38.¹¹ The event was aimed at launching the NAP process at the national level in the LDCs.

⁵ Decision 2/CP.17, paragraph 162.

⁶ Decision 1/CP.18, paragraph 81.

⁷ <<http://unfccc.int/7521.php>>.

⁸ Decision 1/CP.18, paragraphs 34 and 35.

⁹ Decision 1/CP.18, paragraph 38.

¹⁰ <<http://unfccc.int/7672.php>>.

¹¹ FCCC/SBI/2012/33, paragraph 69.

12. The event was held on 9 June. More information on the event can be found on the UNFCCC website.¹² A summary of the event will be presented in the report on the 24th meeting of the Least Developed Countries Expert Group and will be considered at SBI 39.

F. Workshop on the review of the modalities and procedures of the clean development mechanism

13. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, at its eighth session, requested the secretariat to organize a workshop, prior to SBI 38, with the aim of facilitating the progress of the review of the modalities and procedures of the clean development mechanism, with broad participation by developing countries.¹³

14. The workshop was held on 8 and 9 June. The workshop agenda, presentations and background documents, including submissions from Parties and admitted observer organisations, are available on the UNFCCC website.¹⁴ The report on the workshop will be considered at SBI 39.

G. First Dialogue on Article 6 of the Convention

15. At COP 18, Parties adopted the Doha work programme on Article 6 of the Convention and requested the SBI to organize an annual in-session Dialogue on Article 6 of the Convention in order to enhance work in that area. It decided that the first session of the annual dialogue will be held at SBI 38 and would focus on climate change education and training.¹⁵

16. The event was held on 10 and 11 June. More information on the event can be found on the UNFCCC website.¹⁶ The summary report on the dialogue will be considered at SBI 39.

¹² <<http://unfccc.int/7453.php>>.

¹³ Decision 5/CMP.8, paragraphs 12 and 13.

¹⁴ <<http://unfccc.int/7674.php>>.

¹⁵ Decision 15/CP.18, paragraphs 9–11.

¹⁶ <<http://unfccc.int/7670.php>>.