

SUBSIDIARY BODY FOR IMPLEMENTATION

Twenty-first session

Buenos Aires, 6–14 December 2004

Agenda item 8 (a)

Implementation of Article 4, paragraphs 8 and 9, of the Convention

Progress on the implementation of activities under decision 5/CP.7

Progress on the implementation of activities under decision 5/CP.7

Draft conclusions proposed by the Chair

Recommendation of the Subsidiary Body for Implementation

The Subsidiary Body for Implementation, at its twenty-first session, decided to recommend the following draft decision for adoption by the Conference of the Parties at its tenth session:

Draft decision -/CP.10

Progress on the implementation of activities under decision 5/CP.7

[The Conference of the Parties,

Recalling its decision 5/CP.7,

Welcoming the progress made in the implementation of decision 5/CP.7,

Acknowledging that there is a need to further implement decision 5/CP.7 in order to address the gaps in implementation that remain,

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

Having considered the submissions included in documents FCCC/SBI/2004/MISC.2, Add.1–2; and FCCC/SBI/2002/MISC.3 and Add.1,

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

I. Adverse effects of climate change

1. *Invites* developing country Parties to make use of the strategic priorities on adaptation and capacity-building funded by the Global Environment Facility, in response to existing guidance from the Conference of the Parties, and of the funding recently pledged to the Special Climate Change Fund;
2. *Requests* the entities identified in paragraphs 7 and 8 of decision 5/CP.7 to make available further financial and technical resources to implement the actions therein;
3. [*Urges* Annex II Parties to contribute to the Special Climate Change Fund, in order to support, as top priority, adaptation activities to address the adverse impacts of climate change;]
- 4.

Option 1

Decides that actions under decision 5/CP.7, paragraphs 7 and 8 be driven by an assessment and evaluation process, based on national communications, [national sustainable development strategies,] and/or other relevant information, so as to [prioritize needs,] prevent maladaptation, and ensure that adaptation actions are environmentally sound and will produce real benefits in support of sustainable development;

Option 2

Insists 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;

5. [[*Decides also* to further the implementation of actions under decision 5/CP.7, paragraph 7, including, inter alia, through]:

Information and methodologies:

- (a)
 - i) Improving data collection and information gathering, and their analysis, interpretation and dissemination to end-users, under decision 5/CP.7, paragraph 7 (a) (i), within and by Parties not included in Annex I to the Convention (non-Annex I Parties) which are vulnerable to the adverse effects of climate change, including through the enhancement of systematic observation and monitoring networks in countries with observation stations that feed into the Global Climate Observing Systems and through increased data sharing between Parties, particularly between Parties included in Annex I to the Convention (Annex I Parties) and between non-Annex I Parties;
 - ii) Strengthening in-country capacity-building for generating, managing, processing and analysing data sets, for improving the quality of analytical tools, and for disseminating the results of these efforts in sectors that can contribute to climate change impact analysis, including through the development and strengthening of in-country modelling tools to assess the adverse effects of climate change and drivers of regional climate trends;
 - iii) Providing additional training in each specialized field relevant to adaptation identified in decision 5/CP.7, paragraph 7 (a) (iii), in order to create and sustain in-country capacity, including through overseas training, scholarship programmes and workshops, according to needs identified by Parties;

iv) Improving the availability of [outputs and results of] General Circulation Models, and provide training and financial and technical assistance for the [development] [application] of downscaling tools at regional and national levels to non-Annex I Parties;

v) Strengthening institutions and centres through targeted research programmes under decision 5/CP.7, paragraph 7 (a) (v) and (vi), to address the adverse effects of climate change in vulnerable sectors;

vi) Supporting education and training in, and public awareness of, issues relating to climate change under decision 5/CP.7, paragraph 7 (a) (vii), as well as stakeholder participation in key sectors;

Vulnerability and adaptation:

- (b) i) Carrying out pilot and demonstration projects under decision 5/CP.7, paragraph 7 (b) (v), in particular to take forward adaptation projects identified in national communications and other relevant sources including activities that strengthen adaptive capacity;
- ii) Enhancing technical training for integrated climate change impact and vulnerability assessment across all relevant sectors, and for environmental management relating to climate change under decision 5/CP.7, paragraph 7 (b) (ii);
- iii) Promoting the transfer of adaptive technologies under decision 5/CP.7, paragraph 7 (b) (iv), on an urgent basis in priority sectors, including agriculture and water resources, for example through the exchange of experiences and lessons learned in enhancing resilience to the adverse effects of climate change in key sectors;
- iv) Building capacity, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change, including contingency planning, in particular for droughts and floods and extreme weather events under decision 5/CP.7, paragraphs 7 (b) (vi) and 8 (c);]

6.

Option 1

Requests the Global Environment Facility to report to the Conference of the Parties at its eleventh (November 2005) and subsequent sessions on how the above-mentioned activities have been supported, and the barriers, obstacles and opportunities presented, through:

Option 2

Requests the Global Environment Facility to report on the following to the Conference of the Parties at its eleventh (November 2005) and subsequent sessions on how decision 5/CP.7 has been supported through:

- (a) The strategic priority “Piloting an Operational Approach to Adaptation”;
- (b) The small grants programme;
- (c) Efforts to address adaptation in the climate change focal area and to mainstream it into other Global Environment Facility focal areas;
- (d) The Least Developed Countries Fund and efforts to finance the preparation of National Adaptation Programmes of Action;

- (e) The Special Climate Change Fund;

7.

Option 1

Requests the Global Environment Facility and other bilateral and multilateral sources to [continue to] fund [the elaboration of] adaptation strategies and measures in non-Annex I Parties that build upon their national communications and other relevant sources, through access to financial resources from the Global Environment Facility Strategic Priority: Piloting an Operational Approach to Adaptation, and the Special Climate Change Fund;

Option 2

Requests the Global Environment Facility to [expand] support [for] the elaboration of adaptation strategies as part of the National Communication Process in non-Annex I Parties;

8. *Requests* the Secretariat to organize, before the xxx session of the Conference of the Parties, as outlined in decision 5/CP.7, paragraph 32 in order to facilitate information exchange and integrated assessments to assist in identifying specific adaptation needs and concerns:

- (a) Three regional workshops, [as outlined in decision 5/CP.7, paragraph 32,] reflecting regional priorities;
- (b) One expert meeting for small island developing States, reflecting issues of priority identified by that group;
- (c) [One expert meeting for developing countries, on integrating climate change risk and disaster management into national sustainable development strategies, which could consider capacity-building needs to deal with climate-related extreme weather events and to enhance adaptive capacity, and the role of insurance as a risk-reduction tool;]

9. *Further requests* the secretariat to prepare [a] report[s] on the outcome of these workshops and meetings for consideration by the Subsidiary Body for Implementation by its xxx session[;], [with a view to recommending a decision for adoption by the Conference of the Parties at its xxx session;]

Modelling:

10. *Encourages* the Intergovernmental Panel on Climate Change to incorporate, to the extent possible, region-specific modelling information on the adverse effects of climate change into its Fourth Assessment Report, and to engage developing-country researchers in the assessment process;

11. *Stresses* the importance of involving experts from developing countries in improving data collection and information gathering relating to the adverse effects of climate change as well as in the analysis, interpretation and dissemination of such data and information;

Reporting:

12. *Requests* Annex II Parties to provide detailed information, including in their national communications, on progress made on support programmes to meet the specific needs and circumstances of developing country Parties arising from the adverse effects of climate change;

13. [*Invites* non-Annex I Parties to submit, by xxx, information on the needs and gaps they identify in the implementation of decision 5/CP.7, paragraphs 7, 8 and 9 in order to provide input on better methods to implement these activities, and make recommendations thereon;]

14. [Requests the secretariat to synthesize the submissions referred to in paragraphs 12 and 13 above for consideration by the Subsidiary Body for Implementation at its xxx session, in order to enable the Subsidiary Body for Implementation to make recommendations for further actions to the COP at its xxx session;]

II. Impact of the implementation of response measures

Progress on implementation:

15.

Option 1

Requests Annex II Parties to mobilize technical and financial resources, including through the Global Environment Facility and the Special Climate Change Fund, in accordance with decision 6/CP.7 and 7/CP.7, and through other bilateral and multilateral sources, to support, [as a priority], the implementation of activities included in decision 5/CP.7, paragraphs 22-29;

Option 2

Recalls decision 5/CP.7 and paragraph 19 of that decision that mandated support for the implementation of activities included in paragraphs 22–29 through the Global Environment Facility (in accordance with decision 6/CP.7), the Special Climate Change Fund (in accordance with decision 7/CP.7), and other bilateral and multilateral sources;

16. *Invites* the Global Environment Facility and other bilateral and multilateral sources to provide feedback to the Conference of the Parties, at its xxx session, on activities undertaken in response to decision 5/CP.7, paragraphs 22–29 (in accordance with decisions 6/CP.7 and 7/CP.7), with a view to taking a decision on further action at its xxx session; [move to reporting]

Insurance:

17. [Requests the secretariat to organize an expert meeting on insurance, to be held in conjunction with the xxx session of the Subsidiary Body for Implementation, for interested Parties and representatives from relevant intergovernmental organizations and the financial and insurance private sector, with a view to addressing the specific needs and concerns of developing country Parties arising from the impact of the implementation of response measures, in relation to, inter-alia:

- (a) Possible collaboration between the climate change community, government programmes and private insurance sectors;
- (b) Private–public partnerships linking insurance-related mechanisms and risk-reduction mechanisms;
- (c) Ways in which to build capacity at the national level for risk management, risk financing and risk transfer;
- (d) Means by which to engage the private sector in the development of alternative risk transfer mechanisms;]

18. [Decides further that the outcome of the expert meeting referred to in paragraph yy above be reported to the Subsidiary Body for Implementation at its xxx session, with a view to recommending a decision on further action to the Conference of the Parties at its xxx session;]

Modelling:

19.

Option 1

Requests the secretariat to organize an expert meeting on modelling, to be held in conjunction with the xxx session of the Subsidiary Body for Implementation, to consider the outcome of the workshop on modelling activities, and to propose further actions to be taken by the Conference of the Parties at its xxx session, in order to support the following:

- (a) Dissemination of modelling tools and models to non-Annex I Parties, and ensuring increased collaboration on 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) Development of draft guidance documents on how to undertake socio-economic assessments of the impact of response measures to be piloted in selected countries as a basis for detailed and comprehensive guidance;
- (d) Development, in collaboration with international organizations, of methodologies to assess the impacts on developing countries of policies already implemented by Annex I Parties;
- (e) Coordination with the scientific research community, including the Intergovernmental Panel on Climate Change, to improve the quality of models, in particular those that assess the impact of response measures on developing countries, with a view to fully addressing this issue in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change;

Option 2

Requests the secretariat to organise a workshop, before the xxx session of the Conference of the Parties, to exchange information on modelling activities to assess possible impacts of response measures already implemented;

20. *Decides* that the outcome of the expert meeting referred to in paragraph yy above be reported to the Subsidiary Body for Implementation at its xxx session [,with a view to recommending a decision on further action to the Conference of the Parties at its xxx session];

Economic diversification:

21.

Option 1

Stresses that in spite of substantial efforts made by oil-producing countries to diversify their economies, these economies continue to rely heavily on oil and gas for export earnings and government revenue;

Option 2

Acknowledges that [some] oil-producing countries continue to rely heavily on oil and gas for export earnings and government revenue;

22. [Requests the secretariat to organize an expert meeting on economic diversification, to be held in conjunction with the xxx session of the Subsidiary Body for Implementation, in relation to, inter-alia:

- (a) Providing support for the integration of economic diversification into sustainable development strategies;
- (b) Exchanging experiences 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;
- (d) Building capacity, at the national level, in the areas of economic diversification;
- (e) Promoting private–public partnerships in various areas to support economic diversification;
- (f) Providing recommendations for encouraging direct investment by, and technology transfer from, developed countries to assist in the economic diversification of developing countries described in Article 4, paragraph 8 (h), of the Convention;
- (g) Addressing the extent to which trade and export barriers affect economic diversification in Parties addressed under Article 4, paragraph 8, of the Convention;]

23. [Decides that the outcome of the expert meeting referred to in paragraph yy above be reported to the Subsidiary Body for Implementation at its xxx session, with a view to recommending a decision on further action to the Conference of the Parties at its xxx session;]

Reporting:

24. Requests Annex II Parties to provide detailed information, including in their national communications, on progress made on support programmes to meet the specific needs and circumstances of developing country Parties arising from the impact of the implementation of response measures;

25. [Invites non-Annex I Parties to submit, by xxx, information on the needs and gaps they identify in the implementation of decision 5/CP.7, in order to provide input on better methods to implement these activities, and make recommendations thereon;]

26. [Requests the secretariat to synthesize the submissions referred to in paragraphs xx and xx above, for consideration by the Subsidiary Body for Implementation at its xxx session; to enable the Subsidiary Body for Implementation to make recommendations for further actions by the COP at its xxx session;]

III. Further multilateral work relating to activities under decision 5/CP.7

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