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Item 9 of the provisional agenda

Capacity-building under the Kyoto Protocol

Additional priority areas for capacity-building relating to the implementation of the Kyoto Protocol

Submissions from Parties

1. The Subsidiary Body for Implementation (SBI), at its seventeenth session (FCCC/SBI/2002/17, para. 35 (h)), solicited views from Parties on additional priority areas for capacity-building relating to the implementation of the Kyoto Protocol, before the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP), with a view to the COP/MOP at its first session reaffirming the frameworks for capacity-building annexed to decisions 2/CP.7 and 3/CP.7.
2. The Chair of the SBI reminded Parties at the twenty-second session that these views should be submitted to the secretariat by 19 August 2005, for compilation into a miscellaneous document and for consideration by the SBI at its twenty-third session (FCCC/SBI/2005/10, para. 111).
3. The secretariat has received six such submissions. In accordance with the procedure for miscellaneous documents, these submissions are attached and reproduced* in the language in which they were received and without formal editing.

* These submissions have been electronically imported in order to make them available on electronic systems, including the World Wide Web. The secretariat has made every effort to ensure the correct reproduction of the texts as submitted.

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* This submission is supported by Bulgaria.

PAPER NO. 1: EGYPT

At the request of Acting Deputy Executive Secretary, Mr. Richard Kinley on item 5:

Capacity-building under the Kyoto Protocol:

"Views from Parties on additional priority areas for capacity-building"

Concerning views of additional priority an area for capacity-building, Egypt believes that one approach would to be held workshops for Non-Annex I countries specialists on precious implementation of Kyoto Protocol and its mechanisms. The scope of the workshops would include the methods of Project Idea Note (PIN) and Project Design Document (PDD) for CDM project preparation. Other workshops should be devoted the avoidance of CDM barriers and application of the methods of CDM projects registrations

PAPER NO. 2: JAPAN

CAPACITY-BUILDING UNDER THE KYOTO PROTOCOL

Submission by the Government of Japan
19 August 2005

Introduction

The Government of Japan is pleased to submit its views on additional priority areas for capacity building relating to the implementation of the Kyoto Protocol as requested by the Subsidiary Body of Implementation at its seventeenth session (FCCC/SBI/2002/17, para 35 (h)).

Setting the Context

Japan is one of the major Annex II Parties to the Kyoto Protocol in terms of its assistance to developing countries. As is clearly expressed in its new ODA Charter and subsequently operationalized in its Medium-Term Policy on ODA, the climate change issue is one of the priority areas under the global issues to be addressed by the Japanese ODA. Japan is committed to assist developing countries and countries with economies in transition (EIT) to reduce greenhouse gas emissions. Since the adoption of the Kyoto Protocol, Japan has been promoting Kyoto Mechanisms, especially the Clean Development Mechanism (CDM) and the Joint Implementation (JI). It is in this context that Japan wishes to present its views on; the scope of the capacity building; the priority activity; and how they can be different from those covered by 2 and 3/CP.7. This paper will also present some examples of Japan's capacity building assistance. Lastly it will raise a modality question concerning the difference in membership between the Convention and the Kyoto Protocol.

1. Scope of the Capacity Building for Developing and EIT Countries under the Kyoto Protocol

The Decision 2 and 3/CP.7 systematically refers to "the preparation for their [EITs' or developing countries'] effective participation in the Kyoto Protocol process". In other words, the preparatory step for the Kyoto Protocol participation has been already addressed by the Convention, but not the implementation. Therefore, the capacity building under the Kyoto Protocol shall concern itself with its implementation of the Kyoto Protocol.

In terms of the implementation of the Kyoto Protocol, developing countries and EIT countries have been delegated with a markedly different responsibility. The EIT countries as Annex I Parties shall play an active role in the global greenhouse gas emissions reduction. On the other hand, all Kyoto Protocol Parties, including developing country Parties, are requested to undertake certain actions under Article 10. In addition to these obligations under the Kyoto Protocol, EIT and developing countries may participate in JI and CDM activities on a voluntary basis. In fact, it is in these areas where one finds the most active cooperation between Japan and these Parties.

In sum, a possible scope of capacity building under the Kyoto Protocol concerns the implementation of the Kyoto Protocol. In turn, the implementation of the Kyoto Protocol comprises the quantitative reduction commitment assigned to the Annex I Parties, the general commitment for all Parties under the Article 10, and the voluntary implementation of the JI and the CDM.

2. Priority under the Kyoto Protocol

The utmost priority under the Kyoto Protocol is to reduce the atmospheric concentration of greenhouse gas emissions. To this end, the Kyoto Protocol assigns the quantified greenhouse gas reduction targets to

the Annex I Parties of the Convention, who owe the primary responsibility. At the same time, the Kyoto Protocol provides Annex I Parties with Kyoto Mechanisms. Although the use of Kyoto Mechanisms has to be supplementary to domestic actions of the Annex I Parties, they are useful measures to address the climate change. Therefore, the effective use of Kyoto Mechanisms is another priority under the Kyoto Protocol.

3. Additional Priority Area for Capacity Building under the Kyoto Protocol

When the Parties deliberate on the additional priority area of capacity building support for developing and EIT countries under the Kyoto Protocol, Article 11 may provide some guidance. The paragraph 2 requests the Annex II Parties to continue supporting developing countries in advancing existing commitments under the Convention. By definition, this provision indicates neither new area of support nor additional priority area of capacity building for developing and EIT countries. It only reconfirms the existing commitment for Annex II Parties under the Convention.

The paragraph 3 of Article 11 requests Annex II Parties to support developing countries in implementing Article 10 of the Kyoto Protocol. It is therefore in Article 10 where the Kyoto Protocol Parties may find an additional priority area for capacity building support. It is, however, unclear at this moment what the additional components are for a Kyoto Protocol Party to implement beyond its commitment under the Convention and we consider this area might have been already covered by other present capacity building activities.

4. Capacity Building Examples under the Kyoto Protocol

The Kyoto Mechanisms serve not only Annex I Parties, but also non-Annex I Parties and EIT Parties through achieving their sustainable development objectives. For example, Annex I Parties will transfer energy-saving technologies to developing and EIT Parties through the CDM/JI. The host countries will build human, institutional and systemic capacity through implementing these projects. Japan has been voluntarily implementing a range of capacity building activities in this area. Japan wishes to highlight some examples so that the SBI could advance discussion in a concrete manner on the additional scope of capacity building under the Kyoto Protocol.

Japan established “Japan Kyoto Mechanisms Acceleration Programme” (JKAP) in March 2005. JKAP operates under the supervision of several government Ministries and affiliated organizations. It promotes both the domestic and overseas counterparts to implement CDM/JI projects successfully to attain sustainable development objectives.

4.1. Information Dissemination and Raising Awareness

Japan launched a web-based information platform, Kyoto Mechanisms Information Platform (KMIP; see URL <http://www.kyomecha.org/>). The aim of the platform is to disseminate useful information on Kyoto Mechanisms including CDM/JI-related capacity building. Its Help Desk Service is open for both domestic and host countries counterparts. It also has a page introducing JKAP to showcase the support schemes provided by the Government of Japan to CDM/JI partners.

4.2. Production of Manuals

Japan produced manuals on the operation of the CDM/JI through the Ministry of the Environment. “CDM Manual for project developers and policy makers” and “CDM methodologies guidebook” are prepared by the Global Environment Centre Foundation. The Institute for Global Environmental Strategies (IGES) prepared “CDM and JI in CHARTS” and “CDM Country Guidebook.” These manuals are specifically prepared for both Japanese and overseas partners in implementing CDM/JI projects and are available via the KMIP website mentioned above.

4.3. Human Resource Training

Japan has been providing developing and EIT country officials with training opportunities through various channels. For instance, the annual training seminars organized by Japan International Cooperation Agency have been previously reported to the SBI in Japan's submissions (See UNFCCC/SBI/2004/Misc.1, pp. 28-40, UNFCCC/SBI/2004/Misc.4, pp. 30-38). Government affiliated organizations, such as IGES and New Energy and Industrial Technology Development Organization (NEDO), have been organizing in-country CDM training courses and seminars in various developing and EIT countries.

4.4. Feasibility Study

Japan has conducted feasibility studies of CDM/JI projects in various developing and EIT countries. Many examples of such feasibility studies conducted by various private companies and NGOs could be obtained through the JKAP website.

4.5. Capacity Assessment Project

Japan, through the Regional Environmental Center for Central and Eastern Europe, has assisted a number of EIT countries to conduct a project to assess their national capacity to implement the commitments under the Kyoto Protocol (See UNFCCC/SBI/2004/Misc.4, pp. 30-38).

5. Involvement of the Financial Mechanism of the Convention

A pragmatic question arises if the entity entrusted with the financial mechanism of the Convention could provide support on Kyoto Protocol activities. The memberships of the Convention and the Kyoto Protocol are not the same, but the entity entrusted with the financial mechanism of the Convention is not structured in such a way to address this difference. The capacity building is a cross-cutting issue, and cannot be delineated from Convention activities. In addition, the CDM/JI activities are bilateral in nature. Therefore the Financial Mechanism of the Convention, as a multilateral financial institution, may not be best suited to work on CDM/JI capacity building, which is clearly a Kyoto Protocol activity. In sum, the involvement of the Financial Mechanism of the Convention into the Kyoto-Protocol-related capacity-building activities may need careful considerations by all Parties.

PAPER NO. 3: SAUDI ARABIA

SAUDI SUBMISSION ON
“CAPACITY BUILDING UNDER THE KYOTO PROTOCOL”

Saudi Arabia welcomes the opportunity to submit its views on the additional priority areas for capacity building relating to the implementation of the Kyoto Protocol, as per FCCC/SBI/2002/17, paragraph 35 (h) and FCCC/SBI/2005/10, Section VIII B.

Saudi Arabia would like to stress the need to fully implement decisions 2/CP.7 (Capacity Building in Developing Countries, 3/CP.7 (Capacity Building in Countries with Economies in Transition) and 2/CP.10, as well as activities identified in paragraph 8 of decision 5/CP.7, in addition to the Buenos Aires Program and Adaptation and Response Measures (Decision 1/CP.10).

The framework for capacity building, which was adopted by COP 7 and annexed to decision 2/CP.7, was supposed to have been implemented promptly after its adoption in December 2001. So far, very little has been done, other than reiterating the commitment to implement the decision.

Saudi Arabia believes that Capacity building is required at all stages in the process of development. As infrastructures, institutions and technologies in a developing economy face the challenges associated with this development; the capacity of people and organizations to continuously adapt to new circumstances and to acquire new skills needs to be enhanced in a systematic way to help them in their adaptation to the adverse effects of climate change and adaptation to the adverse effects of response measures.

In addition, we believe that human capacity is essential at every stage of the technology transfer process. The transfer of many environmentally sound technologies demands a wide range of technical, and business skills. The development and availability of these skills locally can enhance the flow of international capital, helping to promote this transfer.

MAIN CONCERNS:

The Principle of Common but Differentiated Responsibilities must be considered in developing any framework on capacity building. This means that only Annex I parties would be requested to ‘commit resources to’ this program, for the benefit of all.

Every effort must be made to ensure capacity in developing countries is at a level to enable them to benefit from transfer of technologies and financial assistance.

Resources for improvement in the institutional capacity of developing countries must be targeted for greater efficiency, in close cooperation with the GEF.

ACTIONS TO BE CONSIDERED

1. ACTIONS BY THE COP/MOP

Saudi Arabia urges the adoption of a decision by the COP/MOP to provide guidance to the GEF on the establishment of a capacity-building fund in the context of the Kyoto Protocol.

2. ACTIONS BY ANNEX I AND ANNEX II PARTIES

Annex I Parties should ensure their capacity building programs consider the full range of information, financial, legal, and business services and should ensure these programs are sensitive to the special needs and circumstances of developing countries.

Annex II Parties should assist developing countries, in particular those most vulnerable to the impact of the implementation of response measures, in meeting their capacity-building needs for the implementation of programs which address these impacts.

Annex II Parties should provide financial and technological support for strengthening the capacity of developing country Parties identified in Article 4, paragraphs 8 and 9, of the Convention for improving efficiency in upstream and downstream activities relating to fossil fuels, taking into consideration the need to improve the environmental efficiency of these activities;

Saudi Arabia recommends that a work program be adopted, with a focus on capacity building and transfer of adaptive and advanced technologies. The work program should also assess cost effective options in capacity building and transfer of technology to contribute to sustainable development in the area of adaptation to climate change and adaptation to the impact of response measures, among which is assistance given to developing countries, whose economies are highly dependent on single commodities

3. ACTIONS BY THE SBI

The Subsidiary Body for Implementation was established to assist the Conference of the Parties in the assessment and review of the effective implementation of the Convention (Article 10, Paragraph 1), as well as in the preparation and implementation of the COP decisions (Article 10, Paragraph 2(C)).

The Conference of the Parties should formulate a decision directing its Subsidiary Body for Implementation to develop guidelines for the full implementation of decisions 2/CP.7 (Capacity Building in Developing Countries, 3/CP.7 (Capacity Building in Countries with Economies in Transition) and 2/CP.10, as well as activities identified in paragraph 8 of decision 5/CP.7, in addition to the Buenos Aires Program and Adaptation and Response Measures (Decision 1/CP.10).

The SBI should establish a mechanism for Annex I Parties to provide support through technical assistance to develop structural and institutional capacity and through improving market access and facilitation of technology transfer and capital inflow.

The Conference of the Parties should formulate a decision directing the Subsidiary Body for Implementation to establish a forum on insurance to address the specific needs and concerns of developing country parties arising from the adverse effects of climate change and from the impact of the implementation of response measures.

The Conference of the Parties should formulate a decision directing the Subsidiary Body for Implementation to establish a forum on capacity building to address the specific needs and concerns of developing country parties arising from the adverse effects of climate change and from the impact of the implementation of response measures.

The SBI should support indigenous capacity-building in developing countries.

The Subsidiary Body for Implementation should establish pilot or demonstration projects to show how adaptation planning and assessment for adverse effects of climate change and impact of response measures can be practically translated into projects that would improve the capacity of these countries to adapt to these impacts.

CONCLUSION:

It should be noted that the concept of capacity building in developing countries and countries with economies in transition should not be viewed as a tool to be used by Annex I in lieu of any other obligations. Likewise, this should not commit non-Annex I parties in financing such capacity building.

Saudi Arabia would like to emphasize the parallel relationship between capacity building and adaptation to the impact of climate change and the impact of response measures on developing countries. It is in the interest of not only Annex I parties, but everyone involved, to assist developing countries in enhancing their capacity to deal with these impacts.

PAPER NO. 4: SWITZERLAND

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**Additional priority areas for capacity-building relating to the implementation of the Kyoto Protocol
Submission by Switzerland**

- 1) Switzerland considers that with decisions 2/CP.7, 3/CP.7, 2/CP.10 and 3/CP.10, the COP has established very useful capacity-building frameworks for both developing countries and for countries with economies in transition. These frameworks continue to be effective and are the basis for and guide the implementation of capacity-building activities in developing countries and in countries with economies in transition.
- 2) As pointed out in document FCCC/DBI/2004/9, we also take note of the existence of a number of initiatives from UN agencies as well as from other multilateral and bilateral institutions that contribute to capacity-building in climate change.
- 3) By raising capacities to address climate change, the UNFCCC frameworks and other capacity-building initiatives contribute not only to the objective of the Convention but also – in a great measure – to those of the Kyoto Protocol.
- 4) Therefore, we consider that there are only a few areas where additional specific actions have to be undertaken to address capacity-building for the purpose of the implementation of the Kyoto Protocol. Among these are :
 - enhance the ability of countries with economies in transition to participate in joint implementation activities (Art. 6 KP)
 - enhance the ability of developing countries to participate in project activities under the clean development mechanism (Art. 12 KP)
 - enhance the ability of countries with economies in transition to participate in emissions trading (Art. 17 KP)
 - raise capacities to include GHG mitigation options in development goals and strategies in developing countries within the framework of sustainable development.
- 5) Furthermore, we propose to consider :
 - including, as appropriate, in the context of National Capacity Self-Assessments (NCSAs) and other GEF funded capacity development activities, specific Kyoto Protocol training needs in existing activities of the GEF and its implementing agencies
 - benefiting from synergies with capacity-building activities under relevant conventions and processes, with particular attention to areas of common interest
 - coordinating technical and financial means for capacity-building activities for climate change within the UN system and, as appropriate, with other international and bilateral institutions.

PAPER NO. 5: UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ON
BEHALF OF THE EUROPEAN COMMUNITY AND ITS MEMBER STATES

**SUBMISSION BY THE UNITED KINGDOM ON BEHALF OF THE
EUROPEAN COMMUNITY AND ITS MEMBER STATES**

This submission is supported by Bulgaria

London, 2005

Subject: Capacity-building Under the Kyoto Protocol

The EU welcomes Decisions 2/CP.10 Capacity-building for developing countries (non-Annex I Parties) and 3/CP.10 Capacity-building for Countries with Economies in Transition which agreed that the scope of capacity-building needs as contained within frameworks for capacity-building that are annexed to decisions 2/CP.7 and 3/CP.7 are still relevant and pertinent.

The EU considers the existing capacity-building frameworks for developing countries and countries with economies in transition are sufficient to cover the priority areas for capacity-building relating to the implementation of the Kyoto Protocol. Decisions 2/CP.7 Capacity-building for developing countries (non-Annex I Parties) and 3/CP.7 Capacity-building for Countries with Economies in Transition should continue as the basis for and guide the implementation of capacity-building activities in developing countries and countries with economies in transition.

We further look forward to receiving from the Global Environment Facility in its report to the Conference of the Parties, information on how it is responding to Decisions 2/CP.10 and 3/CP.10.

PAPER NO. 6: UZBEKISTAN

**Opinion of the Republic of Uzbekistan
on the additional priority fields on the strengthening of potential
for realization of Kyoto Protocol**

The Republic of Uzbekistan as a country with the economy in transition and not a Party of Att.1 of the Convention and country which ratified the Kyoto Protocol considers that the Mechanism of Clean Development (MCD) is the most appropriate for the Kyoto Protocol realization.

With coming of the Kyoto Protocol into force the activity on the capacity strengthening is considered as crucially important for the MCD advancing and development in Uzbekistan.

The Republic of Uzbekistan started the elaboration of the Second National Report on FCCC in the framework of which it is planned to define the limits and demands and to work out a list of measures on the capacity strengthening for the Convention and Kyoto Protocol realization.

For the effective realization of the Kyoto Protocol the measures being developed on the capacity strengthening are oriented to the achievements of the past and current activities, realized by the country itself and in a partnership with the different international institutions, to the ensuring the uninterrupted process directed to the strengthening and development of the human, institutional and technical capacities, to the improvement of coordination with all stakeholders (governmental bodies, private sector, industry, research institutes, NGOs, public), to the realization of goals and national priorities in the field of sustainable development.

The Republic of Uzbekistan considers that the main priority activities directed to the capacity strengthening for the effective realization of the Kyoto Protocol are the following:

1. Strengthening of the institutional capacity
 - Set up of the National Body on MCD in Uzbekistan
 - Strengthening of the expert basis for MCD advancing
 - Establishment and improvement of legislative base for MCD realization
 - Integration of the activities directed to the reduction of the green-house gases emission, to the national programs and plans of the social and economical development of Uzbekistan.
2. Strengthening of the personnel capacity.
 - Regular training of personnel on the working out and realization of MCD projects
 - Realization of the pilot MCD projects as the training on practical experience
 - Holding training workshops and conferences on the issues of the climate change and Kyoto Protocol for all stakeholders
3. Strengthening of the technical capacity
 - Set up of information network and data base on MCD of the project
 - Improvement and development of the technical capacities on the provision of technical services to facilitate the process of the experience exchange, the best practice and information on the Kyoto Protocol realization.
4. Strengthening and development of the regional, sub-regional and international cooperation for realization of FCCC and the Kyoto Protocol.
