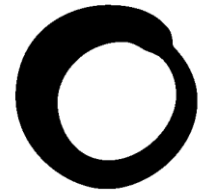


December 2008



**Friends of
the Earth**

The United Nations Framework Convention on Climate Change & Kyoto Protocol: an introduction

Contents

Overview	page 1
Structure of the UNFCCC	page 3
Key meetings & recent history of the UNFCCC	page 4
Key issues and country positions in brief	page 6
Acronyms	page 11

Overview

The **UN Framework Convention on Climate Change (UNFCCC)** is an intergovernmental treaty to address the problem of climate change. The Convention was agreed in 1992 at the UN Conference on Environment and Development — also known as the **Rio Earth Summit**. The UNFCCC entered into force on 21 March 1994. As of September 2008, it has been ratified by 192 countries.

The **UNFCCC** sets out a framework for action aimed at stabilizing atmospheric concentrations of greenhouse gases to avoid “dangerous anthropogenic interference with the climate system”, which simply means, to avoid dangerous climate change caused by humans. Parties to the Convention continue to meet regularly to take stock of progress in implementing their obligations under the treaty, and to consider further actions to address the climate change threat.

In light of increasing scientific evidence about the risks of climate change, it soon became evident to policy makers that a more stringent negotiated agreement would be necessary, in addition to the Framework under the UNFCCC. In December 1997, delegates at the Conference of the Parties (COP) 3 in Kyoto, Japan, agreed to the **Kyoto Protocol** to the UNFCCC.

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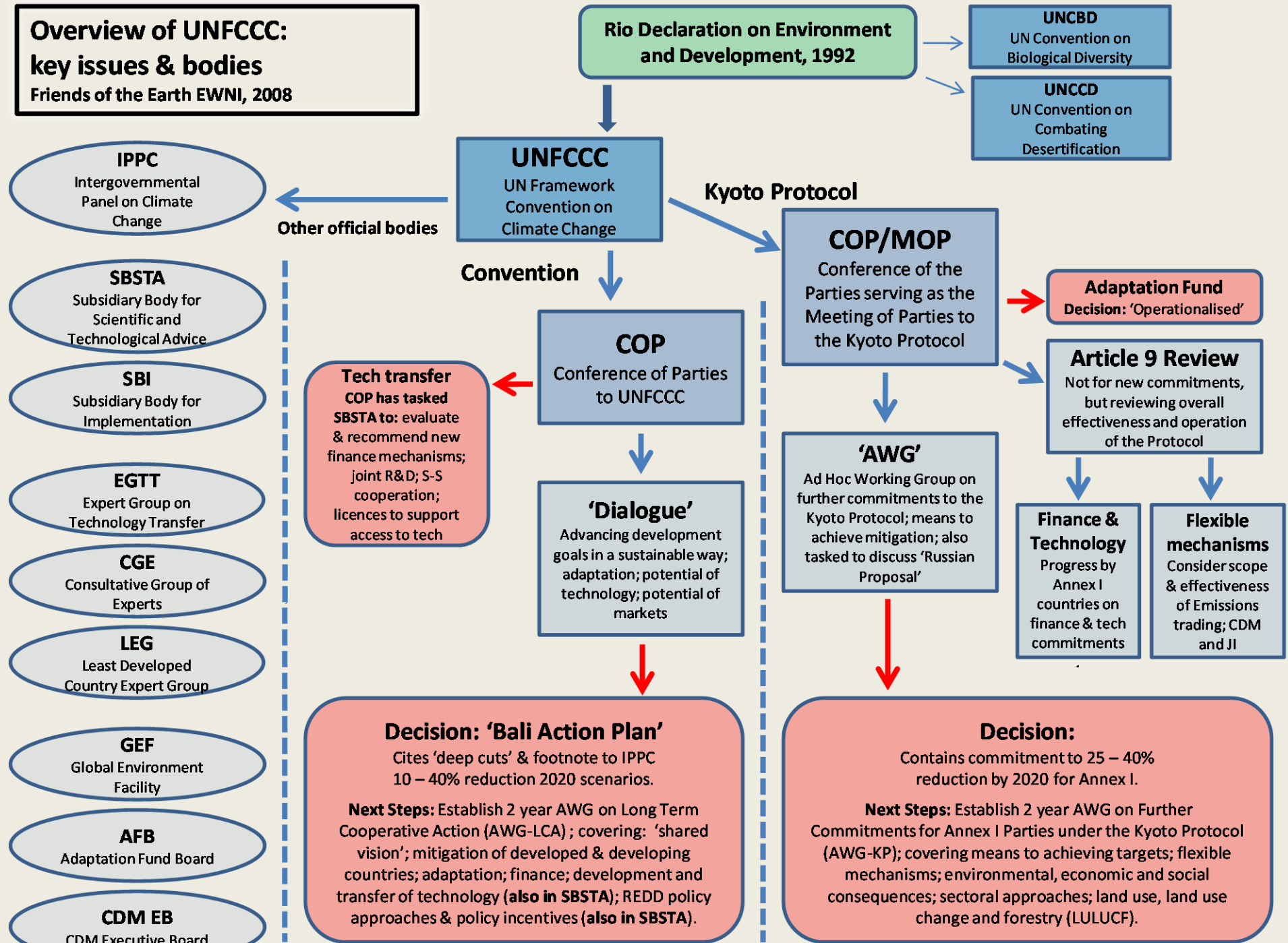
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**Overview of UNFCCC:
key issues & bodies**
Friends of the Earth EWNI, 2008



The **Kyoto Protocol** commits developed countries and countries in transition to a market economy to achieve quantified emission reduction targets. These countries, known under the UNFCCC as **Annex I parties** (also called developed or industrialised countries), agreed to reduce their overall emissions of greenhouse gases by an average of 5% below 1990 levels in the period 2008-2012 (i.e. the first commitment period). The Kyoto Protocol also established three “flexible mechanisms” to assist Annex I parties in meeting their national targets: an emissions trading system; joint implementation (JI) of emission reduction projects between Annex I parties; and the Clean Development Mechanism (CDM), which allows for emission reduction projects to be implemented in non-Annex I parties (developing countries).

Although the United States – the country most responsible for climate change – rejected the Kyoto Protocol in 2001 after the election of President George W. Bush, a majority of other Annex I Parties, including Canada, Japan, and the countries of the European Union ratified the treaty. In November 2004, the Russian Federation also ratified the Protocol. The Protocol finally entered into force as a legally-binding document on 16 February 2005. By December 2007, the Protocol had been ratified by 177 countries, representing 63.7% of Annex I greenhouse gas emissions from 1990 levels.

Since 2005, discussions have focussed on the multilateral response to climate change post-2012, when the Protocol’s first commitment period expires. At the UN Climate Change Conference in Bali in December 2007, delegates agreed on the “**Bali roadmap**” for 2008 and 2009 designed to bring about an agreement by December 2009 in Copenhagen, Denmark.

Structure of the UNFCCC

Conference of the Parties: Parties to the UNFCCC continue to adopt decisions, review progress and consider further action through regular meetings of the Conference of the Parties (COP). The COP is the highest-decision making body of the Convention. The Meeting of Parties to the UNFCCC’s Kyoto Protocol (COP/MOP) convenes in parallel with the COP, usually meeting once a year in early December.

Secretariat: The Conference of Parties and the Convention goals are supported by various bodies and organizations. This includes a Permanent Secretariat based in Bonn, Germany.

Subsidiary Bodies: A number of subsidiary bodies also advise the COP. The Subsidiary Body on Scientific and Technical Advice (SBSTA) links scientific, technical and technological assessments and the policy-oriented needs of the COP. The Subsidiary Body for Implementation (SBI) develops recommendations to assist the COP in reviewing and assessing implementation of the Convention.

Ad Hoc Working Groups: In late 2005, the Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG KP) was established. In December 2007, the Ad Hoc Working Group on Long-Term Cooperative Action (AWG LCA) was established. Further details on these two groups are set out below under ‘Key Meetings & Recent History of the UNFCCC’ and ‘Key Issues and Country Positions in Brief’ sections.

Financial mechanism: The UNFCCC includes provision for a financial mechanism to support developing countries and countries with economies in transition to a market economy in implementing the Convention. Parties to the UNFCCC decided that the Global Environment Facility (GEF) should act as the financial mechanism. Other financial resources for implementing the Convention are also available through the Special Climate Change Fund, the Least Developed Countries Fund, and the Adaptation Fund, as well as through donor countries and agencies.

Expert Groups and Other Constituted Bodies: The Convention is also supported by a number of expert groups. These include groups providing specific expertise on issues including: methodology; technology issues, and bodies overseeing the flexible mechanisms of the Kyoto Protocol. The COP also cooperates with, and is supported by, numerous other international organizations, including scientific bodies, UN agencies, and other conventions. These include the Intergovernmental Panel on Climate Change (IPCC), which publishes comprehensive reviews on climate change science every five to six years, as well as other technical reports and papers.

‘Blocs’ of countries negotiating in the UNFCCC:

While all parties to the UNFCCC have their own representation and sovereign independence, countries often negotiate through voluntary membership to ‘blocs’, aligned on specific political and economic interests of those countries involved. These blocs include:

African Group - African countries

AOSIS - Alliance of Small Island States, 43 members, also members of the G77

Environmental Integrity Group - includes Mexico Switzerland and South Korea

European Union - The 25 countries of the EU, led by the rotating presidency

G77 and China - A bloc of developing countries that actually has over 130 members

Least developed countries (LDCs) - 48 countries, recognized by the UN as being those countries with the lowest development

OPEC - the cartel of oil-producing nations

Umbrella Group - An informal loose coalition of non-EU developed countries, including Australia, Canada, Iceland, Japan, New Zealand, Norway, the Russian Federation, Ukraine and the US.

Key meetings & recent history of the UNFCCC

Marrakesh Accords: At COP 7, November 2001 in Marrakesh, Morocco, Parties agreed on a package of draft decisions on many of the details of the Kyoto Protocol, including the flexible mechanisms, reporting and methodologies, land use, land-use change and forestry (LULUCF), and compliance. The Marrakesh Accords also addressed issues such as capacity building, technology transfer, responding to the adverse effects of climate change, and the establishment of three funds: the Least Developed Countries (LDC) Fund, Special Climate Change Fund (SCCF), and Adaptation Fund. From COP 8 to COP 10 (2002 – 2004), Parties further defined various technical rules and procedures, also agreeing on two new agenda items focused on adaptation and mitigation, and began informal negotiations on the complex and sensitive issue of how parties might engage on commitments to combat climate change in the post-2012 period.

Montreal – COP 11 and COP/MOP 1: This meeting took place in Montreal, Canada, December 2005, taking decisions on the outstanding operational details of the Kyoto Protocol, and formally adopted the Marrakesh Accords. The meetings also engaged in negotiations on longer-term international cooperation on climate change. COP/MOP 1 addressed possible processes to discuss post-2012 commitments and decided to establish a new subsidiary body, the Ad Hoc Working Group on Further Commitments for Annex I parties under the Kyoto Protocol (**AWG**). COP 11 also agreed to consider long-term cooperation under the UNFCCC “without prejudice to any future negotiations, commitments, process, framework or mandate under the Convention.” This would take place through a series of meetings including COP/MOP 2 in Nairobi, Kenya, through to COP/MOP 3 in Bali, Indonesia in 2007.

- **Kyoto Protocol AWG:** The AWG agreed on a work programme focusing on: mitigation potentials and ranges of emission reductions; possible means to achieve

mitigation objectives; and consideration of further commitments by Annex I parties. In May 2007, the AWG adopted conclusions on the analysis of mitigation potentials and agreed to develop a timetable to complete its work so as to avoid a gap between the first and second commitment periods. The AWG adopted conclusions referring to some key findings by Working Group III of the IPCC, including that global greenhouse gas emissions need to peak in the next ten to fifteen years and then be reduced to well below half of 2000 levels by the middle of the 21st century in order to stabilize greenhouse gas concentrations in the atmosphere at the lowest levels assessed by the IPCC. The AWG's conclusions in 2007 recognised that to achieve the lowest stabilization level, Annex I parties as a group would be required to reduce emissions by a range of 25-40% below 1990 levels by 2020.

- **The Convention Dialogue:** The Convention Dialogue continued to exchange views on the four thematic areas identified at COP 11: advancing development goals in a sustainable way; addressing action on adaptation; realizing the full potential of technology; and realizing the full potential of market-based opportunities.

As well as the AWG and Convention Dialogue, recent UNFCCC meetings have also addressed long-term issues in other settings, including a first review of the Protocol required under Article 9, and a proposal by the Russian Federation on “voluntary commitments.”

Bali – COP 13 and COP/MOP 3: This meeting was held in Bali, Indonesia, December 2007. The outcomes covered a wide range of topics, including finalizing the Adaptation Fund under the Protocol, a decision to begin negotiations on reducing emissions from deforestation in developing countries, and outcomes on technology transfer, capacity building, the Kyoto Protocol's flexible mechanisms, the adverse effects of combating climate change, national communications, financial and administrative matters, and various methodological issues. The main focus in Bali, however, was on long-term cooperation and the post-2012 period, when the Kyoto Protocol's first commitment period comes to an end. Negotiators spent much of their time seeking to agree on a two-year process – or “**Bali roadmap**” – to finalise a post-2012 regime by December 2009.

The **Bali roadmap** sets out “tracks” under the Convention and the Kyoto Protocol. Under the Convention, negotiations on the follow up to the Convention “Dialogue” resulted in agreement on a Bali Action Plan that established the Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA), to be completed in 2009.

- **Under the Convention,** the Bali Action Plan (the decision text under the convention which the Bali roadmap is based upon) identifies four key elements: mitigation, adaptation, finance and technology. The Plan also contains a non-exhaustive list of issues to be considered under each of these areas and calls for addressing a “shared vision for long-term cooperative action.” Two important decisions from the Bali Action Plan are: that all developed countries should consider taking comparable emissions reductions (to ensure the US catches up with other Annex I countries), and that mitigation actions by developing countries should be supported and enabled by technology, financing and capacity-building from developed countries.
- **Under the Protocol,** the AWG KP considered a timetable for determining Annex I commitments for the post-2012 period. Delegates also outlined a preparatory process for the second review of the Protocol under Article 9, and held discussions on the “Russian proposal” on voluntary commitments.

These decisions provide guidance and direction for a series of meetings over the next two years under both the Convention and Protocol, with the aim of concluding a comprehensive framework for the post-2012 period at COP 15 and COP/MOP 5 in Copenhagen, Denmark, in 2009.

Key issues and country positions in brief

The vast number of topics under negotiation and review in the UNFCCC, through the various constituted bodies, has resulted in a fairly complex system. Many issues actually overlap with mandates of different bodies, so in some cases are negotiated in parallel with other bodies. A very simplified diagram on page 2 provides an overview of how some of the key issues sit under their respective bodies at the current time in the UNFCCC.

This section outlines particular positions of countries and 'blocs' on some of the key issues, but does not go into detailed analysis of these positions. The following is divided into four sub-sections, providing an overview of issues according to their respective negotiating bodies:

1. Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA)
2. Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP)
3. Subsidiary Body on Scientific and Technical Advice (SBSTA)
4. Subsidiary Body for Implementation (SBI)

1. Ad Hoc Working Group on Long-Term Cooperative Action (AWG-LCA)

The AWG-LCA has a mandate to launch a comprehensive process to enable the full, effective and sustained implementation of the Convention through long-term cooperative action, now, up to and beyond 2012. The AWG-LCA is currently engaged in substantive consideration of five key areas: a shared vision for long-term cooperative action, including a long-term global goal for emission reductions; mitigation; adaptation; technology development and transfer; and financing.

Shared vision: The 'shared vision' in the 'Bali Action Plan' is stated as seeking "long-term cooperative action, including a long-term global goal for emission reductions, to achieve the ultimate objective of the Convention, in accordance with the provisions and principles of the Convention, in particular the principle of common but differentiated responsibilities and respective capabilities, and taking into account social and economic conditions and other relevant factors".

Many parties support an aspirational global goal for 2050, although some, including the G-77/China and Africa Group, insist that developed countries must take on ambitious and binding targets in the short term (2020), and developing countries pursue a clean development path, with adaptation as an integral element. The African Group state an aspirational goal would be acceptable if underpinned by binding and ambitious targets for developed countries, including targets of 25-40% below 1990 levels by 2020, and at least 50% by 2050. The Alliance of Small Island States (AOSIS), are calling for scientific studies on the implications for small island developing states (SIDS) of temperature increases at and above 2°C. The EU state that a long-term goal based on 2°C requires reductions of at least 50% by 2050 compared to 1990 levels, which implies urgent short-term actions. The EU state that all developed countries must take the lead, meaning binding targets within the range of 25-40% reductions by 2020 compared to 1990 levels. The LDCs state that a shared vision should include the right of developing countries to sustainable development and highlight the need for adaptation policies, including risk reduction strategies. Malaysia and Pakistan suggest analyzing the implications of Annex I countries' different emissions targets for non-Annex I parties. Brazil suggests a long-term goal based on the principle of common but differentiated responsibilities, historical responsibility and the best available science. The US state that a long-term goal should be global, realistic, and consistent with recent changes in economic development.

Mitigation: Discussions on mitigation are centred on measuring, reporting and verifying (MRV) commitments and actions, sectoral approaches and reducing emissions from deforestation and degradation in developing countries (REDD). Some countries, particularly Japan, express support for sectoral approaches. However, others, such as China and India, express reservations, particularly regarding any discussion on sectoral targets that do not focus solely on Annex I parties. The G-77/China state mitigation action by developed and developing countries must be different. The US and several others stress the need for all countries to take nationally appropriate mitigation action. On MRV, the EU, Brazil and others underscore comparability of efforts and action by Annex I non-ratifiers of the Protocol (i.e. the US). India and China stress that MRV in developing countries only applies to mitigation actions that are internationally enabled and Brazil stress they be based on national criteria. Iceland and Japan underscore sectoral approaches as crucial to mitigation efforts.

Adaptation: Discussions on adaptation addresses technology, financing, the needs of least developed countries, national adaptation programmes of action, the Nairobi Work Programme, and concerns relating to funding for adaptation. Several specific proposals for financing adaptation were made by countries including Mexico, Switzerland, Norway, China, and others. Parties emphasise the urgency and importance of adaptation, with the EU stressing its proposal for a framework of action on adaptation, and AOSIS suggesting a committee on adaptation under the Convention. Bangladesh propose preparing national adaptation action plans and financial needs assessments.

Technology: Discussions on technology development and transfer address “institutional arrangements for delivering enhanced cooperation on technology and financing for adaptation and mitigation”. New Zealand underscores mitigation technologies for agriculture. The G-77/China highlights equal treatment for mitigation and adaptation technologies, and emphasise the need to establish a technology transfer mechanism under the Convention. The EU support institutional arrangements under the Convention and suggest a new coordinating body. Ghana stress MRV on technology transfer, suggesting reporting guidelines, annual communications by Annex I parties, and linkages to the Convention review mechanism. The African Group identifies intellectual property rights as a major barrier and that state adaptation does not attract private sector investment. Pakistan stress compulsory licensing. AOSIS underscore early warning technologies.

Financing: Financing global efforts to tackle climate change has recently emerged as a key issue in the UNFCCC. Major issues include sources of funds, scale, and the structure and governance of any possible new funds or institutional frameworks under the Convention. In 2008 several specific proposals for financing adaptation were made by countries including Mexico, Switzerland, Norway, China, India and others. The G-77/China state funding should come from implementation of Annex I countries’ commitments. The US state the private sector should become the main source of funding and the EU underline the role of the carbon market, innovative financing, and leveraging private investments. India, the African Group, China and AOSIS state that the private sector can play only a limited role. The African Group call for balanced consideration of financing for mitigation and adaptation.

2. Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol (AWG-KP)

The AWG-KP analyses the means available to reach emission reduction targets and identification of ways to enhance the effectiveness and contribution to sustainable development. The four means identified by the AWG-KP in its work programme are: the flexible mechanisms; land use, land-use change and forestry (LULUCF); sectoral approaches; and greenhouse gases, sectors and source categories. Parties are due to negotiate actual emission reduction ranges at the COP/MOP 4 in Poznań, Poland in December 2008.

Flexible mechanisms: Many parties support the continuation of the three Protocol ‘flexible mechanisms’ after 2012 – Emissions Trading, Joint Implementation (JI), and the Clean Development Mechanism (CDM). Discussions focus on various proposals to improve or change the mechanisms. On the first commitment period issues, the AWG-KP recommend that COP/MOP 4 considers a list of options and takes appropriate action. In particular, possible changes to the CDM have been debated, with many differences over the inclusion of activities such as nuclear power and carbon capture and storage. Some parties urge a broader scope for CDM activities and simpler rules, while others emphasise the need to ensure environmental integrity. Tuvalu highlight that many proposals would necessitate changes to the Marrakesh Accords and urge classification of them as second commitment period issues. The EU stress that changes to the rules on key issues at the beginning of the first commitment period would upset carbon markets. Concerning LULUCF under the CDM, some developing countries support expanding the scope of eligible activities, such as crediting for REDD. China, India, Brazil and others oppose this, preferring to maintain the current scope limited to afforestation and reforestation projects. Several countries also support considering alternative accounting rules for afforestation and reforestation projects. Various proposals have been made concerning governance and ‘additionality’ requirements.

LULUCF: Land Use, Land Use Change and Forestry (LULUCF) is an issue of great difference among parties, relating to possible changes to LULUCF rules for the second commitment period. Brazil, AOSIS and others oppose fundamental changes to the existing architecture, while Australia and Canada suggest that improvements could be made. India and Brazil question the focus on LULUCF issues, stressing the need to reduce Annex I fossil fuel emissions instead.

Sectoral approaches: Sectoral approaches are possible ways to mitigate economic sectors, rather than national accounting methods, which is a particularly controversial issue. Developing countries stress that sectoral approaches should apply to Annex I parties only, and should supplement rather than replace Annex I national caps on emissions. Developed countries have generally sought to explore the idea of sectoral approaches in more detail. Several parties have identified the need for a common understanding. The EU cites three meanings: bottom-up approaches as an analytical tool to set national targets; cooperative sectoral targets in developing countries without crediting; and sectoral crediting and trading. Controversies exist between the EU and China and others however over the mandate of the AWG-KP to consider sectoral approaches. Parties reached agreement that that sectoral approaches “could be used by Annex I parties as a means to reach, but not replace, their emission reduction targets.” It was also agreed that sectoral approaches “within the mandate of the AWG-KP” should not “lead to commitments for non-Annex I parties.”

Sectors and source categories: A main issue within this topic is that of emissions from aviation and maritime bunker fuels. Parties have considered possible actions under the UNFCCC, International Maritime Organization (IMO), and International Civil Aviation Organization (ICAO). Argentina, the EU, Norway and others support controlling maritime and aviation emissions under the UNFCCC, while Singapore and others prefer addressing them through the IMO and ICAO. The EU stress significant growth in these emissions and their importance to mitigating climate change. Saudi Arabia, Kuwait and Qatar argue against addressing emissions from aviation and maritime bunker fuels. Tuvalu suggests considering financial instruments on aviation and bunker fuels as a source of revenue to fund REDD.

3. Subsidiary Body on Scientific and Technical Advice (SBSTA)

Nairobi Work Programme on Adaptation (NWP): The NWP on impacts, vulnerability and adaptation to climate change, which was finalized at COP 12 in 2006, establishes a five-year programme of work on the scientific, technical and socioeconomic aspects of impacts, vulnerability and adaptation to climate change. Many Annex I parties express concerns about

discussing financing arrangements in the SBSTA, and about sending items to the SBI prematurely. Several developing countries urge a more action-oriented approach while the US and Australia stress the need to focus on the most critical points. India and others highlight the importance of an expert group and note connections with the SBI and AWG-LCA. A proposal to request the Secretariat to produce a technical paper on mechanisms to manage risk from adverse effects of climate change was moved to the AWG-LCA. Additional SBSTA requests to the Secretariat call for preparation of technical papers: on the implications of physical and socioeconomic trends in climate-related risks and extreme events for sustainable development; and on integrating practices, tools and systems for climate risk assessment and management and disaster risk reduction strategies into national policies and programmes.

Technology transfer: The main issues under consideration are the terms of reference for a report on performance indicators for enhancing technology transfer and terms of reference for the Expert Group on Technology Transfer (EGTT) for identifying and analyzing financial resources for technology transfer.

Reducing Emissions from Deforestation in Developing Countries (REDD): The issue concerns a programme of work on methodological issues related to a range of policy approaches and positive incentives for REDD. SBSTA identified key methodological issues on REDD including: means to establish reference emission levels, based on historical data, taking into account, *inter alia*, trends, starting dates and the length of the reference period, availability and reliability of historical data, and other specific national circumstances; means to identify and address displacement of emissions; implications of national and sub-national approaches; how sub-national approaches can be used to develop national approaches; identification of capacity-building needs to implement the considered methodologies; means to address non-permanence; any implications of methodological approaches for indigenous people and local communities; implications of different definitions of forest and relevant forest-related activities; and means to deal with uncertainties in estimates.

Two overarching concerns are maintaining a focus on technical and methodological, not political, issues, and drafting text that does not prejudge outcomes of future discussions. Capacity building and displacement of emissions under national and sub-national approaches are among the most contentious issues. Many developed countries stress the need to use language on “changes” instead of “reductions” in emissions. Brazil underscores the importance of agreeing on definitions and on focusing on anthropogenic emissions. Colombia and Cameroon stress that discussions of methodologies cannot be separated from discussions of financial mechanisms. The role of historical emissions was raised, where Australia, Gabon and others state that deciding to base reference emissions levels on historical data would prescribe outcomes and create problems with data needs. On displaced emissions and national and/or sub-national approaches, the US, Colombia and others object to text on exploring how sub-national approaches can be used in the development of national approaches, stating that this raises national approaches over sub-national ones. Parties disagree about the implications of national and sub-national approaches, particularly on “intra-national displacement of emissions.” Colombia support equivalent treatment of national and sub-national approaches, while Papua New Guinea insists on addressing intra-national displacement from sub-national approaches but not national ones. Compromise from Parties meeting in June 2008 states “intra-national displacement of emissions associated with national approaches, if appropriate.”

Emissions from international aviation and maritime transport: Many non-Annex I parties express concern that the International Maritime Organization’s (IMO) work on a binding instrument on shipping emissions is not guided by the principle of common but differentiated responsibilities. The EU, New Zealand, Singapore, Micronesia and others support the IMO’s work. Kuwait express concerns about this issue being used to shift commitments from Annex I to non-Annex I parties. The US state that the IMO’s decision stems from its own mandate, which precedes the Kyoto Protocol.

4. Subsidiary Body for Implementation (SBI)

Financial and technical support: The main issues discussed under this item are access to funding for preparation of non-Annex I national communications and information on financial support provided by the GEF for the preparation of non-Annex I communications. On access to funding, most developing countries report difficulties with accessing GEF funding to prepare their national communications. They also express concern about the effect the GEF's Resource Allocation Framework (RAF) has on access, availability, predictability and continuity of funding. Developing countries state it is unacceptable for the agreed full costs for the preparation of national communications to be met from allocations under the RAF, as this is not mandated by the COP and affects the amount of funding available to developing countries to implement other projects. On the information provided by the GEF, most parties were in agreement that the information was incomplete.

Fourth review of the financial mechanism: This issue concerns the fourth review of the financial mechanism, initiated in December 2007, with a view to recommending a draft decision to COP 15 in December 2009. The role of the GEF as the current financial mechanism remains a contentious issue. While several Annex I countries suggest text highlighting the positive role of the GEF in catalyzing international investments, G-77/China state that GEF funding is "grossly inadequate," and request that the GEF provide new and additional financial resources, also noting concerns with the RAF. Disagreement persists on a co-financing requirement for GEF projects, and on potential new conditionalities on a proposal on bilateral and multilateral financial initiatives.

Technology transfer: Technology transfer was taken up by the SBI, SBSTA and the AWG-LCA. The SBI agenda item on this issue focuses on the EGTT's work programme, the terms of reference for the review of the effectiveness of the implementation of Convention Articles 4.5 and 4.1(c) (technology transfer), and a report of the GEF on a strategic programme to scale up the level of investment for technology transfer. The EU and Japan welcome the GEF's report, while the G-77/China state the report deviates from the Bali mandate. On the terms of reference of the review, Canada, the US and Japan, opposed by Ghana, suggest using the EGTT's performance indicators.

Compliance: This issue is about ensuring that countries undertake their commitments. Japan opposes proposals to amend the Protocol that entails legally binding consequences for non-compliance. The EU state the compliance mechanism is functioning effectively; and state a compliance amendment should be considered in the context of wider post-2012 discussions.

Preparations for the second review of the Kyoto Protocol under Article 9: The first review of the Protocol under Article 9 took place in December 2006, where parties decided that the second review would take place at COP/MOP 4 in December 2008. At COP/MOP 3, parties considered the preparatory process and listed five issues "in particular" for consideration, namely: extending the share of proceeds to JI and emissions trading; procedural requirements for inscribing commitments for Annex I parties in Annex B; privileges and immunities; flexible mechanisms; and minimizing adverse impacts, including adverse impacts of climate change. In 2008 discussions focused on scope of the review, and on differences between long- and short-term issues. Some of the issues to be resolved concern a technical paper on generating revenues for adaptation from AAUs, and by extending the share of proceeds. Some developing countries propose that the technical paper should address generating revenue for adaptation by auctioning AAUs, while some developed countries oppose this. Parties agree that the paper should consider "options related to" AAUs for funding adaptation in developing countries, as well as extending the share of proceeds to JI and emissions trading.

Acronyms

AAU Assigned Amount Unit
AOSIS Alliance of Small Island States
AR4 IPCC Fourth Assessment Report
AWG-KP Ad Hoc Working Group on Further Commitments for Annex I Parties under the Kyoto Protocol
AWG-LCA Ad Hoc Working Group on Long-term Cooperative Action under the Convention
CCS Carbon Capture and Storage
CDM Clean Development Mechanism
CGE Consultative Group of Experts on Non-Annex I National Communications
COP Conference of the Parties
COP/MOP Conference of the Parties serving as the Meeting of the Parties
EGTT Expert Group on Technology Transfer
GEF Global Environment Facility
ICAO International Civil Aviation Authority
IMO International Maritime Organization
IPCC Intergovernmental Panel on Climate Change
JI Joint Implementation
LDCs Least Developed Countries
LULUCF Land use, land-use change and forestry
MRV Measuring, reporting and verifying
NAPA National Adaptation Programme of Action
RAF Resource Allocation Framework
REDD Reducing emissions from deforestation and degradation in developing countries
SB UNFCCC Subsidiary Body
SBI Subsidiary Body for Implementation
SBSTA Subsidiary Body for Scientific and Technological Advice
SIDS Small Island Developing States
UNFCCC United Nations Framework Convention on Climate Change