



## HIGHLIGHTS FROM FCCC SB-12 INFORMAL MEETINGS MONDAY, 5 JUNE 2000

The week of informal meetings preceding the twelfth sessions of the subsidiary bodies (SB-12) of the UN Framework Convention on Climate Change (FCCC) began with an initial briefing by the Chairs of the subsidiary bodies. Following this, a workshop was convened to consider the Protocol mechanisms, and informal meetings were held to address: guidelines on Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information); FCCC Article 4.8 and 4.9 and Protocol Article 3.14 (adverse effects); and land use, land-use change and forestry.

### INITIAL BRIEFING

John Ashe (Antigua & Barbuda), Chair of the Subsidiary Body for Implementation (SBI), said the goal of the informal meetings was to make substantial progress and provide textual proposals for the formal SB-12 sessions, taking place from 12-16 June. He noted that the week's informal discussions would address: guidelines under Protocol Articles 5, 7 and 8; the Protocol mechanisms; compliance; FCCC Article 4.8 and 4.9 and Protocol Article 3.14; policies and measures; land use, land-use change and forestry; and the development and transfer of technology.

On the issue of technology transfer, Harald Dovland (Norway), Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA), noted that the Friends of the Chair group, established at a previous SBSTA session, could accept more members, and would at some stage become a contact group, possibly at SB-13. NIGERIA, on behalf of the G-77/CHINA, noted the technology concerns of developing countries and called for the immediate formation of a contact group.

### INFORMAL MEETINGS AND WORKSHOPS

**ADVERSE EFFECTS:** Co-Chair Mohammed Reza Salamat (Iran) proposed discussing FCCC Article 4.8 and 4.9 on Monday, and Protocol Article 3.14 and procedural issues on Wednesday. He urged delegates to build on the conclusions of the technical workshops held in March. The EU suggested that all three Articles be discussed together so as to reach a single decision. SAUDI ARABIA, highlighting the fact that FCCC Article 4.8 and 4.9 and Protocol Article 3.14 were addressed separately under the Buenos Aires Plan of Action (BAPA), called for two draft decisions. Stating that the procedural discussion was premature, AUSTRALIA, supported by several Parties, proposed discussing the substantive issues before addressing the structure of the decision.

On initial actions, participants suggested, *inter alia*: building capacities to cope with climate-related disasters; integrating climate change issues into national and donor assistance strategies; and setting priorities at the national level.

SAUDI ARABIA, with ZIMBABWE, suggested developing a programme of action building on the workshops held in March. ZIMBABWE, SAMOA and JAMAICA supported a specific recommendation on insurance. EGYPT called for the development of a well-defined vulnerability index. The NETHERLANDS stated that such a suggestion was premature. He supported action on adaptation, starting with training for vulnerability assessment and development of adaptation options. The EU, with JAMAICA and CANADA, identified non-Annex I national communications as a source of information on those countries' needs. BRAZIL disagreed, as it was not mandatory to include vulnerability assessments in national communications.

On the assessment of the impacts of response measures, ZIMBABWE said this would depend on the availability of information on policies and measures. SAUDI ARABIA highlighted the need, *inter alia*, to: ensure a comprehensive approach to policies and measures; enhance the research, development and use of fossil fuel sequestration technologies; remove market distortions in the energy sector; encourage the diversification of energy sources; and explicitly refer to compensation.

SAMOA stressed the need to interpret Article 3.14 in its broadest sense and in relation to the FCCC's objective. AUSTRALIA and the US said discussions should focus on minimizing adverse impacts rather than on compensation. SWITZERLAND cautioned against adopting hasty decisions on the basis of inadequate knowledge. SAUDI ARABIA said information gaps should not be used as a pretext for inaction.

### GUIDELINES UNDER PROTOCOL ARTICLES 5, 7 & 8:

Co-Chair Helen Plume (New Zealand) identified the objectives of the meeting as finalizing the guidelines under Article 5.1 (national systems), and making progress on the guidelines under Article 8 (review of information) and methodologies under Article 5.2 (adjustments). She proposed convening two subgroups to address these objectives. In response to a request by the EU, she agreed to hold a session to exchange views on Article 7 (communication of information).

Takahiko Hiraishi of the Intergovernmental Panel on Climate Change (IPCC) presented the Special Report on Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories. Co-Chair Plume noted that a side event will be devoted to it during SB-12.



The subgroup on Article 5.1 considered the second Draft Guidelines for National Systems under Article 5.1 of the Kyoto Protocol and submissions by the EU and the US. Delegates discussed technical amendments, including a suggestion by the EU on a new paragraph on characteristics of national inventories making reference to monitoring of legal entities and/or projects under Articles 6 (joint implementation) and 17 (emissions trading). Co-Chair Newton Paciornik (Brazil) suggested that this issue be considered further at the meeting scheduled on cross-cutting issues.

The subgroup on Articles 5.2 and 8 considered the Objectives and the General Approach of Part I of the Elements of Draft Guidelines under Article 8 of the Kyoto Protocol. Delegates discussed the structure of the proposed draft guidelines and stressed the need to clarify whether there would be a separate review procedure depending on the annual or periodic nature of the submission of information. They agreed that, *inter alia*: Part I cover the annual review of information submitted under Article 7.1 (annual inventory and supplementary information) and related information under the FCCC; the definition of the information covered by Article 7.1 should be left to the sub-group on Article 7; and a reference to the trial inventory review period should be introduced.

**LAND USE, LAND-USE CHANGE AND FORESTRY:** Co-Chair Halldor Thorgeirsson (Iceland) identified key issues to be addressed during SB-12, including: consideration of the IPCC Special Report; preparation of Parties' submissions on land use, land-use change and forestry (LULUCF), which SBSTA-11 requested by 1 August 2000; and draft elements of decisions for COP-6. Regarding Parties' submissions, he noted a decision taken at SBSTA-11 that SBSTA-12 consider reporting formats for the submission of historical data and, where applicable, projections. The EU noted that it had presented a draft data-reporting format prior to SBSTA-11. AUSTRALIA presented its own proposed data-reporting format, noting that it takes into account discussions and conclusions at SBSTA-11. He outlined the proposed data format and an accounting regime/framework for activities under Article 3.3 and 3.4.

The US outlined its proposal for a data-reporting format, noting that it, *inter alia*: does not specify dates for historical data; excludes non-CO<sub>2</sub> gases on the grounds that they might be an unnecessary complication; and includes land area. She said it was important to recognize the uncertainty of projections, and said Parties should be able to provide information on the assumptions, and on the degree to which they may assume additional activities above business-as-usual.

BRAZIL said the G-77/CHINA would be developing a negotiating position on this issue in the light of the new IPCC Special Report. With NORWAY, he supported including land areas. NORWAY noted the need to try and distinguish between different stocks. Noting emerging convergence of views expressed on the data-reporting format, Co-Chair Thorgeirsson formed a smaller group to consolidate the proposals.

**MECHANISMS:** Workshop Chair Kok Kee Chow (Malaysia) identified the key features of the Clean Development Mechanism (CDM) based on work done on the mechanisms since COP-5. INDIA, on behalf of the G-77/CHINA, highlighted the need to first determine the nature and scope of the mechanisms.

Chair Chow outlined the following steps in the CDM project cycle: project identification and design; independent assessment of project design; project submission to the Executive Board; monitoring; independent assessment and verification of project performance; and identification and distribution of certified emission reduction units (CERs). The REPUBLIC OF KOREA and INDIA sought clarification on the relationship between the Executive

Board and national authorities. NORWAY and the EU queried the specific references to the accreditation of Operational Entities in providing certification.

Chair Chow outlined the functions of the various institutions. The functions of the Executive Board could include: registering CDM projects; designating and accrediting the operational entity; deciding on new methodologies; and maintaining and updating the CDM reference manual. The functions of the operational entities could include: recommending new methodologies to the Executive Board; validating project designs against the FCCC standards; and verifying and certifying performance of CDM projects. He stressed the need to accredit Operational Entities to ensure integrity and quality, and suggested the use of existing ISO standards for certification.

Chair Chow introduced the CDM reference manual as a living document directed at guiding project design. He outlined the process for updating the manual, and said that it would make reference, *inter alia*, to: decisions of the COP/MOP; agreed standards for accreditation; approved baseline methodologies; and guidelines for monitoring, verification and certification. Chair Chow said it would be useful to have the contents of the manual identified by COP-6. SAMOA supported the reference manual, as it would ensure consistency in setting baselines.

CANADA and NORWAY emphasized that the verification and certification guidelines should provide for individual project circumstances. INDIA underlined the role of the host country in determining project eligibility. The EU asked who would develop the reference manual. SUDAN raised the need to address basic questions first, such as eligibility for participation in the CDM. TANZANIA asked how the reference manual would consider the differing sustainable development priorities of different countries and ensure equitable distribution of projects. CHINA stressed the need for both host and investor Party responsibilities to be clearly expressed.

### IN THE CORRIDORS

Delegates expressed mixed views on the expected nature of the informal meetings. While some felt they were experiencing the "business as usual" atmosphere of formal subsidiary bodies meetings, others saw the week ahead as a confidence-building exercise. Although participants were cautious about predicting the extent of progress likely to be made on contentious issues before SB-12, many were generally optimistic.

### THINGS TO LOOK FOR TODAY

**ARTICLES 5, 7 & 8:** An informal meeting on Protocol Articles 5 and 8 will be held from 10:00 am, with a further session scheduled for 3:00 pm.

**POLICIES AND MEASURES:** An informal meeting on policies and measures will be held from 10:00 am.

**MECHANISMS:** The workshop on mechanisms will convene at 3:00 pm.

**CROSS-CUTTING ISSUES:** A meeting on cross-cutting issues will take place at 5:00 pm.

**LULUCF:** The small group convened to consolidate the proposals for the reporting format is expected to report back to the informal meeting in an evening session.

Meetings details are subject to change. Consult the announcement board for details.