Delegates to the informal meetings met to conclude their work ahead of the twelfth sessions of the FCCC subsidiary bodies (SB-12). Informal meetings were convened on: compliance; guidelines under Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information); capacity building; land use, land-use change and forestry; policies and measures; and FCCC Article 4.8 and 4.9 and Protocol Article 3.14 (adverse effects).

**INFORMAL MEETINGS**

**COMPLIANCE:** On 9 June, delegates continued consideration of the Co-Chairs’ Elements of a Compliance System for the Kyoto Protocol. On COP/MOP, Co-Chair Slade said the proposals reflected the degree of political intervention Parties would allow in the compliance process. NEW ZEALAND and the EU said the COP/MOP was the central policy-making body, but should not directly intervene in a specific case by taking over the judicial/legal body’s functions. SAUDI ARABIA stressed the COP/MOP’s central role and said it would not only accept the report of the compliance body, but could also modify that body’s decisions. CANADA, with NEW ZEALAND, said this would politicize the process and that the legal appreciation should be left to the compliance body. AUSTRALIA said the COP/MOP could have a final say on manifestly unjust decisions.

On China’s proposal to include a new section on the implications of Article 18 (non-compliance), the US said an amendment would be needed if binding consequences were to be adopted as part of the compliance system. CHINA cautioned against creating two groups of Parties that had ratified the Protocol: one group with, and the other without, the compliance procedure. The US said the amendment could be addressed when commitments for the second budget period were considered.

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

**Subgroup on Article 5.1 (national systems):** On 9 June, delegates worked to remove three remaining brackets on the second draft Guidelines for National Systems for the Estimation of Anthropogenic Greenhouse Gas Emissions by Sources and Removals by Sinks under Article 5.1. On Applicability, delegates sought acceptable language on mandatory and non-mandatory provisions in the Guidelines. On the EU proposal to insert two paragraphs on monitoring of emissions of legal entities and/or projects under Articles 6 and 17 under national systems, delegates agreed to a compromise proposal by CANADA for a new paragraph under Characteristics that would refer to relevant IPCC guidelines and COP or COP/MOP decisions. On 10 June, the subgroup resolved all outstanding editorial issues and approved the revised guidelines.

**Subgroup on Articles 5.2 (adjustments) and 8 (review of information):** On 9 June, delegates continued consideration of the EU proposal on Classification of Inventory Problems in the guidelines under Article 8, focusing on issues/problems with direct implications on the total aggregated inventory estimate or trend. Differing views were expressed as to whether any failure to follow the good practice principles was adjustable. NORWAY, supported by the EU, highlighted the linkages between the adjustment and compliance processes. NEW ZEALAND suggested that the final report of the expert review team should include the rationale for the adjustment and identification of steps the Party concerned could take in order to address the underlying causes of the inventory problem. Co-Chair Penman noted consensus among delegates that adjustments were “a good thing” and that they could be limited in two ways: as part of the review process and, for practical reasons, in time.

**CAPACITY BUILDING:** On 9 June, delegates heard presentations by the Global Environment Facility (GEF) on the Climate Development Initiative (CDI) and considered capacity building in non-Annex I countries.

Avani Vaish, GEF, said the CDI is an 18-month effort by GEF and UNDP in 3 phases: an assessment of country-level capacity needs; preparation of a comprehensive study to meet those needs; and development of an action plan. John Hoff, UNDP, defined capacity development as the ability of individuals and institutions to set and realize goals, and said it is influenced by the broader context of the institutions, including policy and regulatory frameworks.

Delegates heard brief reports by regional experts. Issues raised included: lack of financial resources; inefficient management of human resources and information; inability to retain human capacity; and a low level of economic, managerial and communication skills. On possible elements for a draft framework for capacity building, several delegates stressed the need for capacity building to be country-driven. The G-77/CHINA stressed that capacity building be a continuous, integrative and comprehensive process implemented within a specific time frame and based on country priorities. The US stressed the need to work on in-country capacities, build strong partnerships with local stakeholders and incorporate capacity building in national strategies.

On the role of institutions, several delegates called for clear guidance to the GEF to ensure adequate funding for capacity building initiatives.
POLICIES AND MEASURES: On 9 June, Chair Dovland introduced text for possible draft SBSTA-12 conclusions and preliminary elements of a draft decision for COP-6 based on recent discussions and submissions by Parties. The draft conclusions included a SBSTA recommendation that work on sharing experiences and information continue, in particular through a workshop in 2001. The draft decision stated, inter alia, that this process should lead to a further elaboration of the guidelines under Article 7.2 (national communications) and enable a demonstration of progress by 2005, in the context of Article 3.2 (demonstrable progress).

The EU supported moving forward by exchanging views on both texts. Noting the lack of time to consider this matter, the G-77/CHINA objected to consideration of elements of a draft decision. SAUDI ARABIA added that it was premature to consider a decision before holding another workshop involving more developing countries, and highlighted other pressing issues in the lead-up to COP-6. He said it would be more appropriate to consider conclusions that expressed appreciation for the recent workshop in Copenhagen and called for another workshop in 2001.

Chair Dovland said SBSTA-12 would consider this issue, and noted agreement on a workshop in 2001. AOSIS said it looked forward to extensive discussion on this matter during SBSTA-12.

LULUCF: On 9 and 10 June, delegates met to consider the IPCC Special Report on LULUCF, with the lead authors responding to requests for clarification. On implications of Article 3.3 (afforestation, restoration and deforestation – ARD) and 3.4 (additional activities), delegates considered, inter alia: ARD definitions, accounting scenarios, and how to combine them; issues related to separating “human-induced” activities, “direct human-induced” activities, and natural variability; improved management versus land-use change; the basis of and need for a definition of “forest”; the carbon accounting schemes and their relationship to atmospheric carbon; implications for the harvest-regeneration cycle; carbon stock changes versus fluxes; baselines and additionality; non-CO2 gases; incentives for sequestration where no land-use change occurs, and for the capture of co-benefits; and the intent behind the need for each Party to establish its level of carbon stocks in 1990 as required under Article 3.4.

The EU suggested designing ARD definitions specifically for the purpose of implementing Article 3.3, and the UK raised the possibility of customizing the IPCC scenarios. CANADA preferred land-based accounting and noted that Article 3.4 represents an opportunity to deal with sinks in a comprehensive and symmetrical way. He advocated a combined approach to Article 3.3 and 3.4. BOLIVIA said an appropriate accounting scheme would also be applicable under Articles 6 and 12. BRAZIL said the definition of a forest for the purposes of Article 3.3 should be linked to thresholds for the variable tonnes of carbon per hectare. AUSTRALIA raised the issue of spatial and temporal discontinuities under Article 3.3 and the need to avoid perverse incentives. He called for further development of measurement techniques for the land-use change sector, noting the omission of this sector in the IPCC good practice guidance.

On the way forward after SB-12, the G-77/CHINA, supported by AOSIS, cautioned against using a “fast track”, highlighting that he did not consider it to be part of the BAPA.