



HIGHLIGHTS FROM FCCC SB-13 INFORMAL MEETINGS MONDAY, 4 SEPTEMBER 2000

The week of informal meetings preceding the formal thirteenth sessions of the subsidiary bodies (SB-13) of the UN Framework Convention on Climate Change (FCCC) began on Monday, 4 September, with an initial briefing by the Chairs of the subsidiary bodies and the Executive Secretary of the FCCC Secretariat. Following this, informal meetings were convened to consider: guidelines under Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information); the Kyoto Protocol mechanisms; and land use, land-use change and forestry (LULUCF).

These informal meetings, which are being held from 4-9 September in Lyon, France, immediately precede SB-13, which will take place from 11-15 September. Delegates to SB-13 and the informal meetings will work toward fulfilling the Buenos Aires Plan of Action (BAPA) adopted at the Fourth Conference of the Parties in November 1998. Under the BAPA, Parties set a two-year deadline for strengthening FCCC implementation and preparing for the future entry into force of the Kyoto Protocol. The Sixth Conference of the Parties (COP-6), scheduled to take place from 13-24 November 2000, in The Hague, the Netherlands, will mark the culmination of this two-year process.

SB-13 will aim to make progress on negotiations covering a range of topics necessary for a comprehensive agreement to be reached at COP-6, including: the Protocol mechanisms; implementation of FCCC Article 4.8 and 4.9 and matters relating to Article 3.14 of the Kyoto Protocol (adverse effects); compliance under the Protocol; best practices in policies and measures (P&Ms) among Parties included in Annex I to the FCCC; LULUCF; guidelines under Protocol Articles 5, 7 and 8; and the development and transfer of technologies.

INITIAL BRIEFING

Harald Dovland (Norway), Chair of the Subsidiary Body for Scientific and Technological Advice, welcomed participants. Noting that only 10 weeks remain before COP-6, he said this week's meetings would aim to advance progress on text on all issues. He observed that informal consultations and meetings had been held since SB-12 on several key issues, including: adverse effects, technology transfer, the mechanisms, compliance, and LULUCF. In addition, submissions from Parties had been received relating to LULUCF, capacity building, and guidelines under Protocol Articles 5, 7 and 8. He noted that these consultations and submissions had assisted in the development of negotiating text.

FCCC Executive Secretary Michael Zammit Cutajar thanked the French government and city of Lyon for hosting SB-13. He expressed regret at the passing away of two prominent figures in

climate change negotiations: Jean Ripert of France, who chaired the Intergovernmental Negotiating Committee that resulted in the adoption of the FCCC in 1992; and Shukong Zhong, Special Advisor on Environmental Issues in China's Ministry of Foreign Affairs. NIGERIA, on behalf of the G-77/CHINA, conveyed the Group's condolences. On logistical matters, he expressed concern at the late availability and distribution of documents, which affected developing country preparation and participation. He said all official documents for COP-6 should be available well in advance of the meeting. He noted that the lack of interpretation would disadvantage representatives of non-English speaking countries and stressed the need to achieve a balanced package of agreements that reflects the priorities of all Parties.

INFORMAL MEETINGS

MECHANISMS: Chair Kok Kee Chow (Malaysia) introduced the consolidated text on principles, modalities, rules and guidelines on Mechanisms. INDIA, speaking for the G-77/CHINA, called for progress on other elements of the BAPA, highlighted the need for conformity with the FCCC's emphasis on equity and common but differentiated responsibilities, and emphasized issues relating to the nature and scope of the mechanisms and supplementarity.

The Secretariat gave a presentation on the proposed CDM Reference Manual and on accreditation. He suggested that the Manual would contain chapters on baseline methodologies, monitoring, the project design document, accreditation body requirements and Operational Entity requirements. He said the Operational Entities could use the Manual to understand, *inter alia*, the accreditation criteria and process; validation, verification and certification process; and approved methodologies to validate/register project activities. On accreditation, he outlined options for institutional arrangements, including a single worldwide accreditation body, a federation/association of accreditation bodies, and mutual/multilateral recognition agreements. He identified issues for consideration, such as the use of existing accreditation structures, financing of accreditation bodies and process, and appeal processes for designated Operational Entities.

BRAZIL, with COLOMBIA, SOUTH AFRICA, CHINA and MOROCCO, said decisions on baselines should be taken by a politically-appointed body, such as the Executive Board. SAUDI ARABIA highlighted the political nature of CDM-related decisions, urged that decisions on baselines be undertaken by the COP/MOP, and expressed reservations about the need for a Reference Manual. COLOMBIA noted the possible tendency to exaggerate baselines, and urged provision for the de-certification of Operational Entities. CHINA, with the US, expressed preference for a single worldwide accreditation body.

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The REPUBLIC OF KOREA highlighted the issue of additionality and questioned whether the Manual would be a compilation of COP/MOP and Executive Board decisions, or would include technical advice. The US supported the Manual serving as a repository of decisions, while FRANCE, for the EU, urged that it be of a technical nature. The US agreed that decisions on baselines and related issues should be made with the approval of the Board or an appointed expert group serving under it.

SAUDI ARABIA and NORWAY cautioned against delaying necessary decisions on the CDM. The EU suggested that the role of the Board lies in the accreditation and random checking of Operational Entities.

MOROCCO highlighted the interaction between the three mechanisms. INDIA sought clarity on the nature of the Certificate on Emissions Reductions. The PHILIPPINES expressed concern with agreeing on the form of the Reference Manual before agreeing on the substance of its content. She sought clarity on the certification of project activities and emissions reduction. MAURITANIA sought clarity on the roles of the host country and the Operational Entity, and stressed the need for the host country to play the "driving role" in the process.

In a further session on the mechanisms, the INTERNATIONAL STANDARDS ORGANISATION, INTERNATIONAL ACCREDITATION FORUM and DET NORSKE VERITAS outlined their views on accreditation and conformity assessment. NGO representatives highlighted the need to include public participation in the CDM and JI, and to promote a "positive list" of non-contentious, credible renewable energy and demand-side technologies for the CDM. Business representatives stressed, *inter alia*, the need for non-bureaucratic mechanisms, and for translating environmental objectives into business criteria

GUIDELINES UNDER PROTOCOL ARTICLES 5, 7 & 8:

Co-Chairs Helen Plume (New Zealand) and Festus Luboyera (South Africa) outlined the group's work, which includes elaboration of guidelines under Articles 7 and 8, guidance under Article 5.2 (adjustments) and four related draft decisions. They stressed the need to focus on what can be achieved prior to COP-6, noting that some issues will be further elaborated at a later stage as they depend on the work of other groups, such as on LULUCF, adverse effects and the mechanisms. The US suggested starting with guidelines under Article 7, as this would also progress those under Article 8. The EU and US agreed to develop a common text on Article 5.2 as a basis for further negotiation.

Participants then began consideration of the draft guidelines under Article 8. The EU said the expert review team (ERT) should use relevant information to "substantiate" rather than "verify" information provided by Annex I Parties. A number of participants preferred replacing the term "shall" with "may" when referring to the tasks of the ERT.

On the paragraphs addressing provision of additional information to the ERT and confidentiality, the US, proposed moving the two paragraphs to the section on review of inventories, where they were more relevant. The EU said the paragraphs were related to other guidelines and preferred their inclusion in a general section. SAUDI ARABIA, speaking for the G-77/CHINA, said the paragraphs were applicable to all elements of reporting and should be retained.

The EU proposed elaborating confidential information to include "confidential business or military information" as referred to in similar paragraphs of the Montreal Protocol. AUSTRALIA, with NEW ZEALAND, said that the Montreal Protocol language may not be appropriate and preferred referring to national security. NIGERIA asked whether any confidential information would be given, as it was not clear from the guidelines. The US said this issue should be dealt with in the context of inventories and called for procedures on how the ERT will deal with confidential data.

Regarding timeframes, the US said they should not be aspirational deadlines but should be fixed and firm. The EU proposed referring to review cycles, noting that there are specific reviews that all require timeframes. SWITZERLAND suggested defining a period of time in which the compliance of a Party should be assessed.

LAND USE, LAND-USE CHANGE AND FORESTRY: Co-Chair Halldor Thorgeirsson (Iceland) summarized outcomes from the workshop held in Poznan, Poland, in July, prior to the deadline for Party submissions on LULUCF on 1 August. He outlined the work programme for the informal consultations and said he expected these to lead toward a negotiating text. He asked delegates to: provide clarifications on their submissions; highlight their priorities; and indicate opportunities for streamlining ideas. BRAZIL, for the G-77/CHINA, stressed that he would not be prepared to discuss LULUCF issues before Wednesday. He said the consultations were moving beyond the mandated methodological issues, and that a draft resolution could not be made on the basis of the submissions. TUVALU underscored the need to consider the data contained in the 1 August submissions, rather than focusing solely on the synthesis of the textual proposals.

AUSTRALIA, with the US, supported working toward a draft decision. Co-Chair Thorgeirsson introduced the consolidated synthesis of proposals made by Parties on methodological issues related to LULUCF that contains material on: proposed definitions and accounting approaches related to afforestation, reforestation and deforestation under Article 3.3; how and which additional human-induced activities might be included under Article 3.4 including modalities, rules and guidelines related to these activities and their accounting; methodologies for measuring and reporting in relation to Article 3.3 and 3.4 activities; overall accounting approaches in relation to the requirements of Article 3.3, 3.4 and 3.7; reversibility, natural effects and accounting interlinkages; and other issues. He explained that the proposals had not been merged, simply organized under descriptive headings.

IN THE CORRIDORS

On an unremarkable opening day, a number of observers suggested that delegates had made a comfortable if slow-paced start, resuming from where they had left-off at SB-12 and subsequent consultations. Several delegates expressed concern at this apparent lack of urgency, given that COP-6 is now close. The strong position taken by the G-77/China over logistical considerations that might impact developing country participation caused some to question how much will be achieved prior to COP-6.

THINGS TO LOOK FOR TODAY

POLICIES AND MEASURES: The week's first informal meeting on policies and measures will be take place at 10:00 am in the Amphitheatre.

TECHNOLOGY TRANSFER: An informal session on technology transfer will be held at 10:00 am in Rhone 2.

CAPACITY BUILDING: This meeting will begin at 3:00 pm in Salon Pasteur.

LULUCF: This meeting will begin at 3:00 pm in the Amphitheatre and will consider the consolidated synthesis of proposals made by Parties on methodological issues.

COMPLIANCE: Scheduled for 5:00 pm in the Amphitheatre.

ADVERSE EFFECTS: This meeting will take place at 5:00 pm in Salon Pasteur.

ARTICLES 5, 7 & 8: This contact group will meet from 7:00 pm in Salon Pasteur to discuss guidelines under Article 7.

MECHANISMS: This meeting will take place at 7:00 pm in Auditorium Lumiere.