



## HIGHLIGHTS FROM FCCC SB-13 INFORMAL MEETINGS TUESDAY, 5 SEPTEMBER 2000

Delegates to the informal meetings preceding SB-13 met to consider: policies and measures (P&Ms); technology transfer; land use, land-use change and forestry (LULUCF); capacity building; compliance; FCCC Article 4.8 and 4.9 and Protocol Article 3.14 (adverse effects); the mechanisms; and guidelines under Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information).

### INFORMAL MEETINGS

**POLICIES AND MEASURES:** After outlining recent developments on P&Ms, Chair Jose Romero (Switzerland) requested Parties to focus on developing a decision for COP-6. The EU proposed objectives relating to: information exchange and experience; facilitating cooperation between Parties; and facilitating assessment of demonstrable progress. CANADA asked whether facilitating cooperation would be a bilateral, trilateral or multilateral exercise. The US and AUSTRALIA said countries could demonstrate progress through institutional and legal steps taken to achieve Protocol Article 3.1 commitments, while JAPAN suggested the assessment be based on national communications. The MARSHALL ISLANDS, for AOSIS, stressed the need for Annex I Parties to take domestic action through P&Ms, while ZIMBABWE highlighted their impact on developing countries.

On text for a COP-6 decision, the EU emphasized the need for a "continuous and structured process" to address the issues within its proposed objectives. SWITZERLAND, with AOSIS, supported using the EU proposal as the basis for the COP-6 decision. TANZANIA sought clarity on the need for a separate reporting system for demonstrable progress, and proposed specifying timeframes for information exchange. PERU underlined cost implications associated with best practices. Draft elements for decision will be available Thursday morning.

**TECHNOLOGY TRANSFER:** Co-Chairs Dean Cooper (Canada) and Dapo Afolabi (Nigeria) invited SBSTA Chair Dovland to present results from the Friends of the Chair consultations on development and transfer of technology held in Colorado, USA, which are contained in a non-paper. He highlighted the five key themes identified at SBSTA-12: technology needs and needs assessment, technology information, enabling environments, capacity building and mechanisms for technology transfer. The US stressed, *inter alia*, the role of the private sector and the importance of holistic, bottom-up approaches. SAUDI ARABIA said technology transfer required adequate funds and called for an annual financial commitment by donor countries.

On the question of who will drive the process, UGANDA underscored the role of governments. HONDURAS urged consideration of the role of existing organizations, especially those involved in higher education. The PHILIPPINES expressed concern that discussions still revolved around assessing needs and suggested renewing the discussions from COP-1 to establish an intergovernmental advisory panel on technology with equitable geographic representation.

**LULUCF:** Participants considered Parties' submissions on LULUCF contained in a consolidated synthesis document prepared by the Secretariat. On the definition of "forest," the EU favored the FAO definition, with limited flexibility to consider national circumstances. JAPAN and CANADA supported flexibility and said definitions used should be clearly and transparently reported. TUVALU called for a universal definition of forest, cautioning against too much flexibility. The US outlined a compromise following the general structure of the FAO definition, with flexibility regarding key parameters, where Parties would choose a single value from a range of accepted values.

On the definitions on afforestation, reforestation and deforestation (ARD), JAPAN highlighted the FAO activity-based approach, with the harvest-regeneration cycle included under reforestation. AUSTRALIA highlighted its suggested distinction between degradation and deforestation. CANADA suggested aggradation-degradation be included under Article 3.4. The US said Article 3.3 and 3.4 definitions should be considered as a package.

On accounting, INDIA stressed the difficulties inherent in differentiating between indirect and direct human-induced activities. The EU supported reporting on, but not accounting for, non-CO<sub>2</sub> greenhouse gases. AUSTRALIA highlighted proposed subrules to overcome perverse incentives for deforestation prior to the first commitment period. JAPAN said Parties should be able to account for stock changes in all carbon pools, but should decide themselves which pools to include.

**CAPACITY BUILDING:** SBI Chair John Ashe said the meeting's aim was to discuss the conclusions of the capacity development initiative (CDI) regional reviews.

**Regional group meetings:** Following an introduction to the CDI regional assessments, smaller groups were convened to discuss reports of the regional reviews.

The group of Small Island Developing States considered ways to take the process forward. Participants noted that it would take a number of years to establish CDI activities and that interim actions could be taken at the regional level to address immediate needs already identified.

The Asia-Pacific meeting discussed the report's focus on the need to, *inter alia*: strengthen existing networks of regional and national experts and institutions offering training; broaden the base

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of participation and action; consider specific social and cultural context in technology transfer; and ensure that capacity development is country-driven.

Participants in the African meeting expressed concern with the process of developing the regional reviews, and called for more time to consider the report. Questions raised included whether the questionnaire was based on GEF guidelines or on the different COP decisions, and if there has been an assessment of the response costs.

The Eastern Europe and Central Asia group highlighted, *inter alia*, a short-term project-based and long-term systematic approach to capacity building, and regional diversity.

Participants in the group for Latin America and the Caribbean emphasized the lack of negotiating capacity, which is affected by rapid rotation of diplomatic staff, and the need for financial resources for countries to manage their own capacity-building priorities. They also stressed the need to improve interaction between the GEF and national focal points.

**COMPLIANCE:** Following a report by Co-Chair Dovland on the informal consultations held in Iceland on 18-20 July 2000, Parties discussed the structure of a compliance body. The EU expressed its preference for: one body with two branches; a powerful Chair; enforcement measures applying only to Annex I countries; and facilitative measures applying to the obligations of all Parties. SOUTH AFRICA, for the G-77/CHINA, noted her preference for one body with two branches subject to certain conditions, including that: the enforcement branch apply only to Annex I countries; the composition of both branches reflect geographic distribution; and the branches have clearly delineated mandates. With the US, she underlined the need for certainty and due process, and with the RUSSIAN FEDERATION opposed the EU proposal for a powerful Chair. The US accepted the proposed structure of one body with two branches and underlined the US focus on commitments rather than on Parties. BRAZIL noted that this could co-exist with a clear statement that non-Annex I Parties did not have commitments. The RUSSIAN FEDERATION and JAPAN, opposed by SAMOA, preferred consecutive rather than parallel functions, with the facilitative stage preceding enforcement.

The EU proposed that the compliance body comprise a technical team for facilitation and a legal team for enforcement. JAPAN, the RUSSIAN FEDERATION, BRAZIL and SWITZERLAND opposed this division. SWITZERLAND proposed a single body performing both functions but with a screening panel that would determine the procedure to be followed in each case. SAUDI ARABIA suggested that a modified multilateral consultative process serve as a facilitative body in this structure.

**ADVERSE EFFECTS:** Co-Chair Bo Kjellén (Sweden) introduced the Co-Chairs' text intended to be used as a basis for COP-6 negotiating text. ZIMBABWE, for the G-77/CHINA, called for two draft decisions, one relating to FCCC Article 4.8 and 4.9, and the other to Protocol Article 3.14. The EU, with the US, preferred taking one decision on both. On the Co-Chairs' text, the EU suggested removing the section on Protocol Article 3.14, and integrating it into the sections on adverse effects and the impact of response measures.

UGANDA, the GAMBIA, NEPAL, BURKINA FASO, the US and others said the needs and concerns of least developed countries should be clearly articulated in the text and in decisions. Co-Chair Kjellén noted participants' support for using the Co-Chairs' text as the basis for negotiations.

**PROTOCOL ARTICLES 5, 7 & 8:** Participants considered elements of draft guidelines under Article 7. SAUDI ARABIA underscored that the G-77/CHINA needed more time to consider the guidelines. Parties agreed on the EU proposal to add separate headings on guidelines for reporting of supplementary information under Article 7.1 and 7.2. On Reporting of Information under

Article 7.1, delegates bracketed language related to timeframes for reporting. NEW ZEALAND drew attention to cross-cutting elements between the guidelines and ongoing work in the LULUCF group. Co-Chair Plume, supported by AUSTRALIA, noted the need to move forward on the elements without pre-empting the work of the other groups. Stressing the amount of work under Articles 5, 7, and 8, Co-Chair Plume suggested creating a small group to progress work on the guidelines under Article 8. Delegates agreed to work only on Part II of the guidelines, which will be presented to the larger group on Friday.

**MECHANISMS:** Chair Chow presented the institutional issues relating to the CDM. He outlined, *inter alia*: the responsibilities and authorities of COP/MOP and the Executive Board (EB) as set out in Protocol Article 12 (CDM); the tasks and functions of the EB relating to the accreditation of operational entities, registration of projects, the reference manual, and issuance of CERs; the tasks and functions of COP/MOP; and the rules of procedure of the EB. On the role of the COP/MOP, SOUTH AFRICA, supported by SAMOA, identified an overlap in the functions assigned to the COP/MOP, the EB and the compliance body. She cautioned against creating a situation that could lead to forum shopping. INDIA pointed out that in the Chair's presentation "the EBs had gained and the COP/MOP and Operational Entities had lost." He suggested reconsidering the balance and bringing out linkages. SAMOA, supported by the EU, reminded Parties of the agreement at Kyoto that the COP/MOP would not deal with routine CDM concerns. With the US, she stressed the need for technical expertise in the EB. The EU envisaged a variety of functions for the EB, including: issuing CERs; project registration; and issues related to accreditation of Operational Entities. The REPUBLIC OF KOREA said that without a clear idea of the nature of the CDM and the number of expected projects, it would be impossible to elaborate on the EB. NORWAY responded that the structure of the CDM would influence the volume of CDM projects. CHINA, supported by JAPAN and AUSTRALIA, said Parties, not the EB, could determine criteria to determine contribution to sustainable development.

### IN THE CORRIDORS

Some participants have expressed concern at the apparent lack of urgency for making substantial progress on Articles 5, 7 and 8. Given the heavy workload facing this group, observers warn that a lack of movement in working through remaining text could prove problematic later on.

### THINGS TO LOOK FOR TODAY

**LULUCF:** This meeting will begin at 10:00 am in the Amphitheatre to continue discussing the consolidated synthesis of Parties' proposals on methodological issues.

**ADVERSE EFFECTS:** This meeting begins at 10:00 am in the Salon Pasteur and is expected to start section-by-section discussions on the Co-Chairs' text.

**ARTICLES 5, 7 & 8:** Small group consultations are scheduled for 10:00 am in Salon Rhone 4 relating to Part II of the Guidelines under Article 8. The larger group will meet from 5:00 pm in Salon Pasteur to continue discussions on guidelines under Article 7.

**COMPLIANCE:** Delegates will continue discussions on the structure of the compliance body at 3:00 pm in the Amphitheatre.

**CAPACITY BUILDING:** A CDI presentation will take place at 3:00 pm in Salon Pasteur, with a second meeting from 7:30 pm in the Amphitheatre to consider EITs.

**MECHANISMS:** Discussions will begin at 5:00 pm in Auditorium Lumiere.

**TECHNOLOGY TRANSFER:** An informal session on technology transfer will be held at 7:30 pm in Rhone 2.