



## HIGHLIGHTS FROM FCCC SB-13 INFORMAL MEETINGS THURSDAY, 7 SEPTEMBER 2000

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

### PLENARY

Delegates met in Plenary to hear brief progress reports from the Chairs of the informal groups. SBI Chair Ashe thanked delegates and the Chairs of the groups for their positive work. The G-77/CHINA expressed the hope that further areas of convergence would continue to emerge during SB-13, and stressed the need for a balanced package of decisions at COP-6. The US said he was "somewhat concerned" at the slow pace of progress in some groups, and called for concentrated efforts to keep the process on track.

### INFORMAL MEETINGS

**ADVERSE EFFECTS:** Participants considered the section of the Co-Chairs' text on the impact of implementation of response measures. On technological development and economic diversification, the US suggested including specific reference to support for least developed countries. On the issue of future workshops, delegates stressed the need for these to be clearly focused. SAMOA, supported by the EU, BELIZE, and JAMAICA, questioned the utility of vulnerability indices, while EGYPT supported them.

On the section on Protocol Article 3.14, the US, with the EU and several other developed countries, noted that it dealt primarily with the impact of response measures, and suggested merging it with the previous section that directly addressed this issue. The G-77/CHINA, SAUDI ARABIA, and a number of other developing countries repeated their proposal for two separate draft decisions, one on FCCC Article 4.8 and 4.9, and one on Protocol Article 3.14. BELIZE, speaking for AOSIS, said these paragraphs did not address its concerns. AUSTRALIA, POLAND, the US, EU and other Annex I Parties expressed reservations on a paragraph inviting Annex I Parties to provide information on, *inter alia*, existing market imperfections and subsidies in the energy sector. SAUDI ARABIA said the paragraph should be retained.

**MECHANISMS:** Parties commenced discussion on the consolidated text. The G-77/CHINA supported separate decisions with individual chapeaus on the three mechanisms, while

CANADA, the EU and other Annex I countries supported three decisions under one chapeau. The G-77/CHINA, opposed by CANADA, NEW ZEALAND, the EU and US, advocated extending the rigors of the CDM to JI. The G-77/CHINA stressed the need to address the nature and scope of the mechanisms. CANADA, while accepting the centrality of FCCC Article 3 (Principles), cautioned against going too far into the nature and scope. The EU cautioned against defining new principles. The G-77/CHINA, opposed by the US, urged that the adaptation fund draw from all three mechanisms.

Parties then reviewed the draft decision on guidelines for implementation of Protocol Article 6 (JI). SAMOA, for AOSIS, opposed by NORWAY, POLAND and CANADA, proposed removing reference to these being "guidelines." The US, opposed by AOSIS, proposed that revision to the guidelines be taken by consensus. Parties were unable to agree on whether to retain text relating to equity, comprehensiveness, transparency, climate change effectiveness, fungibility, and sharing of proceeds.

**PROTOCOL ARTICLES 5, 7 & 8:** Delegates continued discussing guidelines under Article 7.1 (inclusion of supplementary information in annual inventories). The US, opposed by the EU and AUSTRALIA, proposed deleting the section on adjustments in accordance with Article 5.2 (adjustments), maintaining that reporting should be the responsibility of the review team, not the Party. SAMOA noted the work on the concept of a true-up period in the compliance group, and said the group on Articles 5, 7, and 8 should consider technical constraints on its length.

On consideration of Article 7.2 (inclusion of supplementary information in national communications), the US, NORWAY, SAUDI ARABIA and GERMANY questioned the timing for the submission of national communications and where this should be treated. On national registries, the US identified the importance of the discussions on the mechanisms for the work in this group.

SAUDI ARABIA suggested that the national communications of Annex I Parties include an evaluation of the extent to which individual CDM projects have assisted non-Annex I Parties to achieve sustainable development. NORWAY, supported by NEW ZEALAND, AUSTRALIA and the US, said this was not realistic.

**COMPLIANCE:** Delegates continued deliberation on the Co-Chairs' proposals. On submission of questions to the compliance body, the G-77/CHINA said questions of compliance could be raised by a Party with respect to itself or another Party. The US said a Party should be able to refer questions with respect to another Party's compliance only to the facilitation branch. AUSTRALIA suggested that apart from the questions raised in the expert review teams' (ERT) reports, questions could be raised by a Party only with regard to itself. The G-77/CHINA emphasized the role of the

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ERTs and suggested that the relationship between the COP and ERTs be taken into account. The EU, opposed by CHINA, supported a role for the FCCC Secretariat. SAUDI ARABIA, supported by the US, highlighted the need to reflect Protocol Article 8(3) (ERTs to report to the COP/MOP) in the provision.

On the preliminary examination of questions, the G-77/CHINA said the functions it envisaged at this stage were to ensure that the question is supported by sufficient information and is not *de minimis*, and to direct the case to a particular branch. She said this task should be undertaken by a plenary of the compliance committee. The UK said the screening process should simply be an organizational stage to ensure that the relevant branch receives the case. He suggested creating a bureau of the compliance committee consisting of two members, representing the enforcement and facilitative branches, to perform this function. The RUSSIAN FEDERATION suggested that all questions should go automatically to the facilitation branch. The US said there should be two functions, one related to allocation and the other to substance. The allocation function would be performed by a bureau of the compliance institution, and the substantive screening, which would be necessary only for cases referred to the enforcement branch, would be undertaken by the enforcement branch.

**CAPACITY BUILDING:** Participants began consideration of the revised Chair's text on capacity building in developing countries. In response to the G-77/CHINA's query on timing for consideration of a draft decision on capacity building, Chair Ashe drew attention to decision 10/CP.5, which calls for Parties to synthesize elements of a draft framework for capacity building at SB-12 for consideration at SB-13. He noted that a contact group would be set up during SB-13 to start deliberations on a draft decision. The EU, the US and CANADA stressed the need to ensure consistency with the capacity building aspects of other discussions on technology transfer and adaptation.

On purposes, the EU asked what review process would be established. The G-77/China inquired what the basis for such a review would be and if this would constitute an additional reporting requirement. AUSTRALIA said capacity building should be designed to facilitate monitoring and implementation.

On demonstration projects, the G-77/CHINA said these were not critical in identifying needs and stressed that sufficient information had already been submitted. The EU said that while demonstration projects could be useful, lessons should be drawn from existing activities. He underscored the importance of a results-based approach. AUSTRALIA highlighted the need for an appropriate enabling environment for capacity building.

**TECHNOLOGY TRANSFER:** Participants considered the sections on technology information and enabling environments in the draft text on a framework to facilitate development and transfer of technology. They heard presentations by the FCCC Secretariat on a possible framework for a technology transfer system, and by the Climate Technology Initiative on its website.

The G-77/CHINA underscored Parties' obligation to submit information on how they are implementing their commitments. Regarding gathering information on technology needs and availability, she raised the question of how Parties facilitate access to technologies and what the conditions of access are. KENYA suggested that countries that have submitted national communications be facilitated to conduct their technology needs assessments noting that the second national communication may not take place until 2006. With the G-77/CHINA, she noted with concern that GEF is allocating funds to technology needs assessments instead of national communications.

NEW ZEALAND supported the concept, in principle, of a clearinghouse and emphasized the use of existing institutions. The US highlighted limitations with one-stop shops and supported the establishment of an international, rather than regional and sub-regional, clearinghouse. CHINA, PERU, and MALAYSIA urged moving ahead by focusing on practical measures.

**LULUCF:** Luiz Gylvan Meira Filho, Brazilian Space Agency, outlined the implications of different approaches to including LULUCF on the ability of Parties to mitigate climate change as required under the Protocol. He noted the current temporary uptake of carbon in the biosphere due to natural effects, and said that under a full carbon accounting approach, Annex I countries would be allowed to emit more than under a business-as-usual scenario. Delegates then continued discussing the compilation text of country-specific data and information as submitted by Parties. The EU noted the gaps in existing data, stressing that data was a crucial input to the negotiating process. AUSTRALIA noted that Annex I countries had the capacity to make adequate carbon measurements, and that the quality was continually improving. Co-Chair Thorgerirsson then summarized the work carried out thus far, and identified key unresolved issues, including: separating human-induced effects from natural uptake of carbon; the package of eligible additional activities under Article 3.4; and limitations of credits and debits.

**POLICIES AND MEASURES:** Co-Chair Richard Muyungi (Tanzania) introduced draft conclusions and elements for a draft decision on "best practices" in policies and measures (P&Ms). The G-77/CHINA asked the Co-Chair to postpone discussion on the draft text pending internal G-77/CHINA consideration. Parties made general comments related to, *inter alia*: continuing work into the future; avoiding reference to issues under discussion in other groups; and ensuring that the outcome is focused on helping to implement the provisions of Protocol Article 2 (P&Ms).

### IN THE CORRIDORS

Delegates have been commenting on the irony of the timing of the crippling French transport strike. Attendance at some of the sessions was affected on Thursday, and there was speculation on the possible impact of the strike on the arrival of key delegates, and on the already slow pace of the deliberations. Several observers suggested that the strike begs the question: is the public really prepared to pay for climate policies?

### THINGS TO LOOK FOR TODAY

**ADVERSE EFFECTS:** This group will meet at 10:00 am in the Amphitheatre to resume discussions on Protocol Article 3.14.

**ARTICLES 5, 7 & 8:** The group will meet at 10:00 am and 5:00 pm in Salon Pasteur to resume consideration of Article 7.

**CAPACITY BUILDING:** This group will meet at 12:00 pm in Rhone 3B to consider countries with economies in transition and will convene at 5:00 pm in Amphitheatre to discuss non-Annex I country capacity building.

**MECHANISMS:** This group will meet at 3:00 pm in Auditorium Lumiere to work through the text and discuss all aspects of mechanisms, including nature and scope.

**LULUCF:** Deliberations will continue at 3:00 pm in the Amphitheatre.

**COMPLIANCE:** Delegates will discuss procedures of the compliance body at 7:30 pm in the Amphitheatre.

**TECHNOLOGY TRANSFER:** Discussions will resume at 7:30 pm in Salon Pasteur.