INFORMAL MEETINGS

Delegates to the informal meetings concluded their work ahead of the thirteenth sessions of the FCCC subsidiary bodies (SB-13). Informal meetings were held on: the mechanisms; compliance; capacity building; technology transfer; land use, land-use change and forestry (LULUCF); FCCC Article 4.8 and 4.9 and Protocol Article 3.14 (adverse effects); and guidelines under Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information).

INFORMAL MEETINGS

ADVERSE EFFECTS: On 8 September, delegates completed discussions on the Co-Chairs’ draft negotiating text. Several Annex I countries, opposed by some developing countries, suggested deleting a paragraph on actions related to policy options. AOSIS presented alternative text for this section, suggesting the deletion of the paragraph. UGANDA said those supporting its deletion were avoiding commitment. SAUDI ARABIA stressed the importance of assisting economic diversification in oil-exporting developing countries, and supported tax restructuring in Annex I Parties. With LIBYA, QATAR and VENEZUELA, he supported discouraging fossil fuel production in Annex I countries. LIBYA underscored the externalities of nuclear energy. On the preamble, SAUDI ARABIA suggested separating it between two decisions, one on FCCC Article 4.8 and Article 4.9, the other on Protocol Article 3.14. A revised Co-Chairs’ text will be available Monday.

PROTOCOL ARTICLES 5, 7 & 8: On 8 September, delegates completed discussions on the guidelines under Article 7. The EU, opposed by the US, questioned the need for the section on reporting on domestic enforcement. SAUDI ARABIA, for the G-77/CHINA, opposed by the EU, suggested new headings on information related to transfer of technology and additional financial resources, and highlighted their textual proposal on information related to transfer of technology and additional financial resources. HUNGARY, for the EITs, supported tax restructuring in Annex I countries. NEW ZEALAND proposed a new heading on issuance and cancellation of assigned amounts under Protocol Article 3.3 and 3.4. The group then continued discussion on the draft guidelines on Article 8.

On 9 September, Parties continued deliberations on Part I of the guidelines under Article 8. The G-77/CHINA bracketed most of the text, citing insufficient time to consider it. The Secretariat distributed new versions of the guidelines under Article 7 and of Part II of the guidelines under Article 8, which had been prepared by a small drafting group. The Secretariat distributed draft decisions on national systems under Article 5.1, methodologies for adjustments under Article 5.2, and guidelines under Articles 7 and 8.

CAPACITY BUILDING: Economies in Transition (EITs): On 8 September, participants considered the revised paper on possible elements of a draft framework for capacity building in EITs. Participants gave their initial comments on the Purposes, Objective and Scope and Implementation parts of the framework.

Participants highlighted the need for, inter alia: the framework to provide a clear basis for action; a results-based approach to capacity building to ensure its effectiveness; consideration of past and present activities; elaboration of mutual responsibilities; and consistency between any additional reporting obligations with the guidelines of national communications. HUNGARY, for the EITs, noted the importance of defining a timeframe and emphasized the need for an early start to capacity building.

Non-Annex I Countries: On 8 September, participants discussed the draft elements for a framework on capacity building in developing countries, and considered a revision of the text on 9 September.

Issues raised included the need to: mobilize regional and sub-regional institutions; strengthen existing institutions; provide good guidance to the GEF; and take into account past actions and develop coherence with present activities in order to define activities that will support FCCC implementation.

Participants said capacity building is a dynamic and iterative process that will be augmented by experiences from implementing other aspects of the FCCC. She said the needs assessment should not be used as an excuse to delay action on those needs that have already been identified. Delegates diverged over whether to delete language on synergies with other global environmental agreements and the reference to the requirement that capacity building activities be results-based and implemented in a programmatic manner.

Chair Ashe said a report on the informal group’s meetings would be presented at SB-13 and a contact group would be set up to prepare a draft decision to which the framework would be annexed.

LULUCF: On 8 September, delegates discussed key areas of contention as identified by the Co-Chairs based on discussions related to the consolidated synthesis of Party submissions on LULUCF. On separation of natural versus human-induced effects, SWITZERLAND, opposed by CANADA, supported a negotiated threshold to deal with the human-induced effects, which could also be adjusted to deal with issues of uncertainty and permanence.
On eligibility of Article 3.4 activities, TUVALU drew attention to the insufficiency of existing data, suggesting it would be difficult to base a sound decision on such data. On limitation of debits and credits of additional activities, the US supported using a threshold, opposed using a cap, and said a possible phase-in approach should provide incentives to take action. On aggregation-degradation, AUSTRALIA said the issue was not a priority, and said he could support a process decision at COP-6.

On 9 September, Co-Chair Thorgeirsson introduced the new Co-Chairs’ text on elements related to Article 3.3 and 3.4 that would be the basis for deliberations during SB-13.

MECHANISMS: On 8-9 September, Parties considered text on guidelines for implementing Protocol Article 6 (JI), and the draft decision on Article 12 (CDM). On the COP/MOP, JAPAN, CANADA, the US and POLAND reiterated a preference for existing Article 6 provisions. The G-77/CHINA urged the same rigor for JI as for CDM. On participation, the EU outlined its two-track approach. The US and NORWAY expressed interest in the proposal, with caveats. On monitoring, the EU, supported by several Annex I countries, proposed an option consistent with its two-track approach. SAUDI ARABIA, supported by CANADA, bracketed reference to the CDM Reference Manual.

On supplementarity, the EU, G-77/CHINA and HUNGARY emphasized domestic action as the primary means to fulfill commitments. SAUDI ARABIA, with the AFRICA GROUP, suggested a cap of 25-30%. The EU elaborated on two formulae: for a ceiling on net transfers and for a ceiling on net acquisitions. The US and CANADA emphasized concerns with quantitative caps.

On an interim CDM, AUSTRALIA, CANADA, JAPAN, and NORWAY underlined the need for a prompt start. SAUDI ARABIA highlighted legal difficulties with a prompt start, and suggested expanding the AJI pilot phase to accommodate this. The EU and SWITZERLAND said the CDM should commence immediately after COP-6 on a permanent rather than interim basis. The AFRICA GROUP proposed a stand-alone decision on interim arrangements. Parties differed on the use of a positive list of CDM projects. BOLIVIA and CANADA emphasized inclusion of LULUCF in the CDM.

COMPLIANCE: On 8 September, Parties continued discussions on the Co-Chairs’ text. On proceedings of the compliance committee, the G-77/CHINA said said procedures relating to decision-making, participation, conflict of interest and information sources should be equally applicable to both branches. The US suggested having two separate and complete procedures. SAMOA and the US said the enforcement branch could address specific provisions and the facilitation branch could have broad jurisdiction. BRAZIL, opposed by AUSTRALIA and the RUSSIAN FEDERATION, supported distinguishing between facilitation available to Annex I and non-Annex I Parties. NEW ZEALAND proposed an appeal system. The US retained the option of no appeal procedure. With BRAZIL, she said any appeal body should be limited to overriding decisions. SAUDI ARABIA suggested the COP/MOP be the appeals body.

On 9 September, Parties discussed outcomes and consequences of non-compliance and adoption. The G-77/CHINA, opposed by the US, NEW ZEALAND and AUSTRALIA, suggested differentiating between Annex I and non-Annex I Parties. Parties disagreed on whether the facilitative branch should be able to publish non-compliance or potential non-compliance, initiate the enforcement procedure and issue cautions. AUSTRALIA, with the RUSSIAN FEDERATION and opposed by SAMOA, PALAU, the FEDERATED STATES OF MICRONESIA and BRAZIL, argued against binding consequences.

On Adoption, the US outlined three options: the COP recommends to the COP/MOP that the attached decision be adopted; the COP recommends to the COP/MOP that the attached decision be included in the decision on the second commitment period; or the COP adopts a legal instrument that enters into force at the same time as the Protocol. The EU, opposed by AUSTRALIA, stressed the link between adoption and use of the mechanisms. A new text will be available Monday.

TECHNOLOGY TRANSFER: This informal group met on 8 and 9 September to consider draft text on a framework for action to implement technology transfer under the FCCC. On capacity building, some participants stressed the need to avoid duplication of matters being addressed elsewhere and to enhance the capacity of existing institutions. The US said capacity building for the identification of CDM projects could maximize their use for technology transfer.

On mechanisms for technology transfer, participants discussed the GEF’s role, whether to establish an intergovernmental technical advisory panel and a funding mechanism for technology transfer, and the need for integrated approaches. Several participants said ODA should not be used for technology transfer, as this would be a distortion of development priorities. The REPUBLIC OF KOREA noted that the discussion focused mainly on the demand side of technology transfer and stressed the need to examine the supply of technology. The GEF noted that existing programmes, such as the Medium-Sized Projects, could be used as a means for transferring technology. A revised Co-Chairs’ text will be available Monday.

IN THE CORRIDORS

The week-long informal meetings ended with a number of participants expressing concern over slow progress on most issues, given the limited time for COP-6 preparation.

The informal week also witnessed the formation of a new negotiating group, the “Environmental Integrity Group,” which includes Switzerland, the Republic of Korea and Mexico. The aim of the group is to ensure that its members can participate in smaller group negotiations likely to take place during critical eleventh hour talks at COP-6. Observers are taking a “wait and see” approach regarding the possible impact of the new grouping.

This news coincided with VANUATU’s announcement that the LDCs will take group positions on issues such as FCCC Article 4.8 and 4.9 (adverse effects). Some suggest that this reflects the predictable divergence of interests and priorities among sub-groups within the G-77/China, readily apparent during the informals.

THINGS TO LOOK FOR TODAY

WELCOMING CEREMONY: The opening ceremony for SB-13 will take place at 10:30 am in Forum (Plenary I). It will include an address by French Prime Minister, Lionel Jospin.

SBI: SBI will meet at 11:20 am in Plenary I to consider organizational matters. Following this, SBSTA will convene, also to address organizational matters.

JOINT SBI/SBSTA: The joint SBI/SBSTA will meet at 3:00 pm and again at 7:00 pm to consider a number of issues, including adverse effects, the mechanisms, and capacity building.

SBSTA: SBSTA is expected to meet at 7:30 pm in Plenary II to consider several issues, including LULUCF, Article 5, 7 and 8 and technology transfer.

For more information on the day’s events, consult the notice board.