



HIGHLIGHTS FROM UNFCCC SB-16 WEDNESDAY, 5 JUNE 2002

The Sixteenth Sessions of the UNFCCC Subsidiary Bodies (SB-16) opened on Wednesday, 5 June, in Bonn, Germany. The Subsidiary Body for Scientific and Technological Advice (SBSTA) began with introductory remarks and a presentation by the new Chair of the Intergovernmental Panel on Climate Change (IPCC). Participants then addressed various agenda items, including organizational matters, the IPCC Third Assessment Report (TAR), and methodological issues, including guidelines on reporting and review of Annex I Parties' greenhouse gas inventories, guidelines under Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information), and the uniform reporting format for activities implemented jointly (AIJ). In the evening, delegates met in contact groups to discuss Articles 5, 7 and 8 and AIJ.

SBSTA

OPENING PLENARY: SBSTA Chair Halldor Thorgeirsson (Iceland) welcomed delegates and observers and noted that the focus of work has shifted from negotiations on the Protocol to issues of implementation. UNFCCC Executive Secretary Joke Waller-Hunter said that a total of 74 Parties have now ratified the Protocol, representing 35.8% of industrialized countries' total greenhouse gas emissions.

JAPAN and the EU drew attention to their recent ratifications, and encouraged other Parties to follow suit. VENEZUELA, for the G-77/CHINA, said that the recent focus on the Protocol has meant that some UNFCCC issues have been neglected, particularly those relevant to developing countries. The RUSSIAN FEDERATION stated that national consultations on ratifying the Protocol should be completed by the end of the year.

ORGANIZATIONAL MATTERS: On the agenda (FCCC/SBSTA/2002/1 and Add.1), Chair Thorgeirsson noted a request to add an item on Protocol Article 2.3 (adverse effects) to the agendas of both subsidiary bodies. The EU recalled that decision 5/CP.7 addresses Article 2.3. SAUDI ARABIA said Parties had agreed that decisions on Protocol and UNFCCC issues would be kept separate. With the G-77/CHINA and opposed by the EU, JAPAN, and AUSTRALIA, he supported inserting this agenda item.

On a proposal by Canada on cleaner or less greenhouse gas-emitting energy, the G-77/CHINA said the item was incorrectly worded on the provisional agenda, and it should refer to the report of the workshop on this issue, not to a proposal. CANADA said the provisional agenda correctly referred to a proposal and, supported by several Annex I Parties and UZBEKISTAN, but opposed by SAUDI ARABIA and the G-77/CHINA, stressed retaining the issue as worded in the provisional agenda.

Following consultations, Parties agreed with the Chair's proposal that the agenda items on clean energy and on Article 2.3 be held in abeyance. Chair Thorgeirsson said further consultations would be carried out on the agenda, and the results reported back next week. SBSTA then adopted the modified agenda.

IPCC THIRD ASSESSMENT REPORT (TAR): IPCC Chair Rajendra K. Pachauri invited Parties to make full use of the information contained in the TAR, and noted that work on the fourth assessment report will begin in 2003 and end in 2007. In the ensuing discussion, many Parties emphasized the need for a work plan. SAUDI ARABIA said such a plan should not be developed until climate change impacts on developing countries are elaborated and scientific uncertainties are minimized. Parties emphasized the importance of disseminating the TAR and suggested that future work could focus on: resolving scientific uncertainties, particularly at the regional level; identifying barriers to implementing adaptation and mitigation measures; improving observation systems; and promoting the participation of developing country scientists in the IPCC. CHINA, with SAUDI ARABIA and ALGERIA, stressed the need for additional work on the historical responsibility for climate change and on equity issues. The EU, with SWITZERLAND and SLOVENIA, said information contained in the TAR justified further action on climate change, and suggested consideration of the scientific and technical issues Parties would like the IPCC to address in the future. NORWAY remarked on the need to agree on stronger emissions reductions and broader participation beyond 2012, suggesting that SBSTA launch a process to strengthen commitments. SAUDI ARABIA said a dangerous level of greenhouse gases could not be determined given scientific uncertainties. AUSTRALIA, opposed by SAUDI ARABIA, suggested including follow-up to the TAR as a standing item on the SBSTA agenda. SWITZERLAND argued that making continuous reference to the TAR in each agenda item of SBSTA would be more efficient than initiating a separate process.

IPCC Secretariat Executive Secretary Geoffrey Love welcomed collaboration between SBSTA and the IPCC, and drew attention to the fourth assessment report and special and technical reports to be produced by the IPCC. Chair Thorgeirsson said a contact group would be convened on the issue, co-chaired by David Warrilow (UK) and Rawlestone Moore (Barbados).

METHODOLOGICAL ISSUES: Guidelines under Protocol Articles 5, 7 and 8: On guidelines on reporting and review of greenhouse gas inventories from Annex I Parties (implementing decisions 3/CP.5 and 6/CP.5), the Secretariat provided an overview of relevant recommendations and experiences of the technical review process (FCCC/SBSTA/2002/5; FCCC/SBSTA/2002/2; FCCC/SBSTA/2002/2/Add.1-3). He said the review process aimed to establish more complete and transparent guide-

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lines and highlighted the need to: improve guidelines through a common reporting format (CRF); better define draft report objectives; incorporate a new concept of literature reviewers; and consider timing and length of the review process.

The EU underlined the need to increase resources for technical reviews and annual inventories. The US supported improving software, particularly in the synthesis and inventory assessment phase. A contact group, chaired by Audun Rosland (Norway) and Newton Paciornik (Brazil) will meet to consider these issues.

On guidelines for the preparation of information required under Article 7 and for review under Article 8 and good practice guidance for Article 5.2 (adjustments), Chair Thorgeirsson indicated that sections of the guidelines were not concluded during COP-7. He said the various issues, including reporting and review of assigned amounts and national registries, and expedited review for the reinstatement of eligibility to use the mechanisms, had been forwarded to SB-16. COP-7 had also requested SB-16 to deal with the technical aspects of review of demonstrable progress and the treatment of confidential information.

Audun Rosland reported on the outcome of a workshop on adjustments under Article 5.2, held in Athens from 3-5 April. He said participants had recommended that adjustments be used as an exception, and that the procedure should be simple. He said a second workshop would be organized in early 2003 to assess case studies of simulated adjustments, and to help ensure consistent application of adjustments between review teams.

Regarding the expedited review for reinstatement of eligibility, the EU stressed the need for a process compatible with the regular review process and the compliance procedure. Chair Thorgeirsson said a contact group would be convened under the guidance of Helen Plume (New Zealand) and Festus Luboyera (South Africa).

On technical standards for registries under Article 7.4, Murray Ward (New Zealand) reported on the outcome of consultations conducted from 2-3 June. He said registries were needed to operationalize the accounting of assigned amounts and provide transparency. He noted that most Annex I country registries are at an early stage of development, and said delegates had considered the nature and scope for standards, concluding that they should be applied to aspects relevant to exchange of data and the transaction log. He said draft technical standards should be developed before SB-17. Chair Thorgeirsson said Murray Ward would conduct informal consultations.

Activities Implemented Jointly (AIJ): Chair Thorgeirsson noted a COP-7 decision to continue the pilot phase for AIJ (decision 8/CP.7) and to hold a workshop on the draft revised uniform reporting format, which was held in Bonn from 2-3 June (FCCC/SBSTA/2002/INF.9). Participants were then briefed on the report of the meeting and on other relevant documents, including a compilation of Parties' submissions on their experiences with the AIJ pilot phase (FCCC/SBSTA/2002/MISC. 2).

Several parties endorsed the AIJ pilot phase and welcomed the recent workshop. KENYA, for the G-77/CHINA, said the geographic distribution of projects should be improved, particularly for Africa. UGANDA said unfair distribution could impact on Africa's level of project experience, and thus its ability to participate in the CDM. CHINA said any modification to the uniform reporting format should not affect decisions already taken on AIJ, particularly those relating to funding and technology transfer. Participants agreed to the formation of a contact group to prepare draft conclusions and possibly a draft COP-8 decision for consideration by SBSTA on 13 June.

CONTACT GROUPS

AIJ: The contact group on the uniform reporting format (URF) for AIJ under the pilot phase was chaired by Mamadou Honadia (Burkina Faso) and Sushma Gera (Canada). The group considered

the draft revised URF (FCCC/SB/2000/6/Add.1) and changes to the draft that had been proposed during the recent AIJ workshop. Delegates agreed to a number of proposals on several sections of the draft, including those on governmental acceptance, approval or endorsement and on general compatibility with national development priorities. The group will continue its discussions on Friday to consider outstanding proposed textual changes on: mutually agreed assessment procedures; summary of AIJ projects; and additional comments.

ARTICLES 5, 7 AND 8: The Secretariat provided an overview of the issues to be covered by SB-16 in relation to Articles 5, 7 and 8, namely: pending parts of the guidelines under Articles 7 and 8, including reporting and review of assigned amounts and national registries and review for the reinstatement of eligibility to use the mechanisms; adjustments under Article 5.2; demonstrable progress; and treatment of confidential data. He said relevant completed draft decisions would be forwarded to COP-8 for adoption. The Secretariat then introduced the documents for the session, and Newton Paciornik presented the outcome of the workshop on adjustments under Article 5.2, which had developed draft technical guidance and made recommendations for a second workshop after SB-17. He said the issue of how to develop a conservative approach to adjustments merited further discussion, and that testing of the methodology for adjustments would be carried out prior to the next workshop, based on the data from 2000-2001 inventories. Regarding timing, the Secretariat proposed that the case studies be carried out at the end of the year, allowing Parties time to comment on the studies prior to the workshop, which would be held in April. On the issue of treatment of confidential information, Parties preferred to further discuss it at SB-17, following Party submissions on 1 August 2002. The Secretariat distributed a Working Paper on the review of reinstatement of eligibility to use the mechanisms, and the meeting was adjourned.

IN THE CORRIDORS

"Nothing new" and "same as ever" were phrases being used by delegates to describe the opening day of SB-16. After the tension and brinkmanship characterizing the climate meetings held in 2000 and 2001, participants at SB-16 are clearly expecting something far more "low key" this time around. Several observers pointed out that attention is firmly focused on the negotiations now taking place in Bali ahead of the upcoming Johannesburg Summit.

Yet in spite of the quiet atmosphere anticipated in Bonn, the meeting was not without tension on its opening day, with many participants discussing the discord over two proposals raised by Canada and Saudi Arabia. The Canadian proposal is controversial because some observers see it as an attempt for Canada to gain further flexibility under the Protocol from its energy exports.

The Saudi Arabian proposal to discuss adverse effects under the Protocol brought back memories of lengthy discussions on whether UNFCCC and Protocol Articles on adverse effects should be addressed separately or together – discussions many delegates would prefer not to relive.

THINGS TO LOOK FOR TODAY

SBSTA: SBSTA will meet at 10:00 am and 3:00 pm to discuss LULUCF, technology transfer, policies and measures, cooperation with relevant international organizations, UNFCCC Article 6, issues relating to hydrofluorocarbons and perfluorocarbons, and other matters.

INFORMAL CONSULTATIONS: Informal consultations are scheduled to be held throughout the day. See the television monitors for further information.