



## UNFCCC SB-16 HIGHLIGHTS THURSDAY, 6 JUNE 2002

Delegates to the Sixteenth Sessions of the Subsidiary Bodies of the UNFCCC (SB-16) met in SBSTA in the morning and afternoon to discuss: LULUCF good practice guidance and activities under the CDM; technology transfer; policies and measures; and cooperation with international organizations. Contact groups were convened to consider Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information); greenhouse gas inventories; LULUCF under the CDM; and the IPCC TAR. An informal group on cooperation with scientific organizations also met.

### SBSTA

**METHODOLOGICAL ISSUES: LULUCF Good Practice Guidance:** Chair Thorgeirsson introduced the agenda item on the development of good practice guidance and other information for LULUCF. Reporting on its LULUCF work programme, the IPCC noted a recent task force meeting and its work plan for the upcoming year.

The FAO reported conclusions from an expert meeting held in January on harmonizing forest-related definitions for use by various stakeholders, jointly organized with the IPCC, the Center for International Forestry Research (CIFOR), and the International Union for Forest Research Organizations (IUFRO). He reported four key messages from the workshop: the importance of universally-accepted definitions; the need to approve and adopt existing definitions before creating new ones; the general compatibility of the FAO's definitions with Protocol Article 3.3 and 3.4 (LULUCF); and the fact that some definitions are incompatible with land use or the state of forests. The EU supported the use of biome-specific forest definitions. The US cautioned against creating separate definitions and urged coordination between different reporting bodies. Chair Thorgeirsson indicated that he would prepare draft conclusions by 13 June, in consultation with interested Parties.

**LULUCF Activities under the CDM:** Chair Thorgeirsson said COP-7 had asked SBSTA to develop, for adoption at COP-9, definitions and modalities for including afforestation and reforestation activities under the CDM in the first commitment period, considering: non-permanence; additionality; leakage; uncertainties; socio-economic and environmental impacts; and the Principles guiding LULUCF as agreed at COP-7. The Secretariat highlighted a workshop held from 7-9 April in Orvieto, Italy, which provided draft terms of reference and a work agenda for LULUCF under the CDM (FCCC/SBSTA/2002/4) as well as country submissions (FCCC/SBSTA/2002/MISC.1 and Add.1-2).

The EU stressed that SB-16 should agree on future work and encouraged delegates to agree on definitions. With UGANDA and NORWAY, he supported basing definitions on those agreed for Protocol Article 3.3 and 3.4. The US noted the need for consis-

tency between the work of SBSTA and the CDM Executive Board. JAPAN stressed consideration of host country conditions.

UGANDA, with NORWAY, stressed including agroforestry. BURKINA FASO and MOROCCO said all countries should be eligible for participation. A contact group was convened co-chaired by Karsten Sach (Germany) and Thelma Krug (Brazil).

**TECHNOLOGY TRANSFER:** Chair Thorgeirsson drew attention to Parties' recent submissions on a proposal for a technology transfer clearinghouse and information network, and on other relevant matters (FCCC/SBSTA/2002/MISC.12). He also took note of two workshops requested by SB-15 and held in April on technology information (FCCC/SBSTA/2002/INF.6) and on methodologies for technology needs assessments (FCCC/SBSTA/2002/INF.7).

Jukka Uosukainen (Finland), Chair of the UNFCCC Expert Group on Technology Transfer (EGTT), briefed delegates on the Group's activities since its establishment by COP-7 (decision 4/CP.7). He noted that a preliminary meeting had taken place in April, followed by the first formal meeting on 3 June. Discussions had focused on the work programme and rules of procedure, with further discussions scheduled for 8 June. He noted the formation of three sub-groups to further the EGTT's work, and urged Parties to make use of the technology information clearinghouse, TT:CLEAR.

The EU proposed reassessing some fundamentals of the clearinghouse, including the targeting of recipients and their needs. The US supported an open, inclusive and transparent process for the EGTT. Participants agreed to convene for informal consultations to develop draft conclusions for SBSTA.

**POLICIES AND MEASURES (P&Ms):** Chair Thorgeirsson highlighted the COP-7 decision that SB-16 should consider further action to advance work on "good practices" in P&Ms, as well as the report of a workshop on P&Ms held in Copenhagen in October 2001 (FCCC/SBSTA/2001/INF.5). He drew attention to Parties' recent submissions on possible further actions, which were compiled by the Secretariat in April (FCCC/SBSTA/2002/MISC.7).

Several Parties highlighted the importance of national circumstances in determining appropriate P&Ms. The EU called for a work programme to ensure proper implementation of Protocol Article 2.1(b) (cooperation on P&Ms). SAMOA, on behalf of AOSIS, called for a work plan that includes a third workshop to be held in October 2002. CANADA drew attention to its recent discussion paper outlining various options for P&Ms. The US supported sharing information on evaluation techniques for selecting appropriate P&Ms. SAUDI ARABIA, for the G-77/CHINA, highlighted the need to minimize the impact of Annex I Parties' P&Ms on developing countries, while observing that it had yet to develop a position on the compilation document. AUSTRALIA supported taking stock of the information provided

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during the recent workshops so as to evaluate where SBSTA can “add value.” A contact group was formed to consider the matter further.

**INTERNATIONAL ORGANIZATIONS:** Chair Thorgerirsson noted the interim report on the adequacy of the global climate observing systems (FCCC/SBSTA/2002/MISC.10), a progress report on the work of the Joint Liaison Group of the UNFCCC, the CBD, and the UNCCD (FCCC/SBSTA/2002/3), and the submissions from Parties on cooperation with intergovernmental bodies (FCCC/SBSTA/2002/MISC.9 and Add.1).

On cooperation with scientific organizations, Parties were briefed by the Global Climate Observing System (GCOS) secretariat on the adequacy of observing systems. Parties concurred on the importance of implementing the ten UNFCCC climate monitoring principals adopted at COP-5, and on the need for funding observation systems in developing countries. CANADA, with MALAYSIA and AUSTRALIA, advocated discussing climate change research in addition to systematic observation. An informal contact group was convened for further discussion on guidance to GCOS. On cooperation with UN bodies, Parties were briefed by the IUCN, UNEP and FAO on their activities relating to climate change. On cooperation with other conventions, Parties were briefed by representatives of the CBD and UNCCD.

#### **CONTACT GROUPS AND INFORMAL CONSULTATIONS**

**ARTICLES 5, 7 AND 8:** Co-Chair Luboyera opened the discussion on an expedited review procedure for reinstatement of eligibility to use the mechanisms. Delegates considered draft text, which incorporated Party submissions, to be included in the guidelines under Article 8. Under General Procedure, NEW ZEALAND emphasized language expressing the need for Parties to provide additional information. The EU stressed integration with the ordinary review process, while NEW ZEALAND underscored the review for reinstatement as a specific element of the review guidelines. A small group was convened to resolve this issue. Delegates discussed expert review teams (ERTs) appointed to conduct reviews for reinstatement of eligibility, which they agreed would consist of new experts or the same ones carrying out the regular review. After delegates had considered Scope of Review, the Secretariat distributed a Working Paper on demonstrable process under Protocol Article 3.2, and the meeting was adjourned.

**GREENHOUSE GAS INVENTORIES:** A contact group on national greenhouse gas inventories, co-chaired by Audun Rosland (Norway) and Newton Paciornik (Brazil), met to consider a Co-Chairs’ proposed draft Working Paper on guidelines for the preparation of national communications by non-Annex I Parties that addresses UNFCCC Reporting Guidelines on annual inventories. Parties deliberated on proposals by the EU and US in the Co-Chairs’ draft text. Agreement was reached on a number of issues, including text relating to the methodology, key source category determination, quality assurance/quality control and recalculations. On uncertainties, divergence emerged on text relating to reporting of “each” source and sink category. SWITZERLAND, supported by NEW ZEALAND, proposed the wording “key” categories to limit the consideration of numbers of sources and sinks. Co-Chair Rosland said there would be further consultations between the EU, US, NEW ZEALAND and SWITZERLAND to be reported back to the contact group on Friday. A working group on the common reporting format will also meet on Friday.

**LULUCF AND CDM:** On definitions and modalities for including LULUCF under the CDM, BRAZIL, for the G-77/CHINA, stressed that the outcome of the Orvieto workshop held in April, which detailed draft terms of reference (TOR) and agenda for work, served as a basis for negotiation only. The EU, CANADA, JAPAN, URUGUAY, COSTA RICA and NEW ZEALAND preferred using the Orvieto document as it stands and stressed the tight work schedule leading to COP-9. CHINA said workshop participation was limited and called for further exchange of views. BRAZIL underscored links between Articles 5, 7 and 8 and LULUCF modalities under the CDM.

Co-Chair Krug invited participants to comment on the TOR as included in the annex of the workshop report. The G-77/CHINA noted that some aspects are missing, and stressed the LULUCF guiding Principles, particularly one on non-permanence. TUVALU, supported by the G-77/CHINA and opposed by NEW ZEALAND and CANADA, proposed including development of modalities for the application of the Principles. Under the section on input, the G-77/CHINA proposed that an options paper be compiled on modalities for crediting LULUCF units under the CDM. CANADA stressed his understanding that COP-7 decided that CDM projects generate CERs (certified emissions reductions), not RMUs (removal units).

In the section on process, delegates agreed that SBSTA-16 would prepare, but not yet adopt, conclusions on definitions, though many Annex I Parties stressed the need to get as far ahead with the work as possible during this session. On modalities, MALAYSIA underscored the need to understand the issues before proceeding to drafting. The EU noted that the TOR only called for starting consideration of modalities at SB-17. Regarding the next workshop, CHINA said it should focus on exchange of views, not negotiation. MALAYSIA said agreement cannot be guaranteed at COP-9. Adjourning the meeting, Co-Chair Krug said a new TOR and agenda of work, taking Parties’ views into consideration, would be prepared by the Secretariat for Friday.

**INTERNATIONAL COOPERATION:** Consultations were co-chaired by Sue Barrell (Australia) and David Lesolle (Botswana). Following discussions on capacity building needs with respect to climate observing systems, the co-chairs adjourned the meeting to prepare a draft decision that would provide further guidance to the GCOS secretariat on its second report on the adequacy of global climate observing systems. Further informal discussion will take place on Friday.

**IPCC TAR:** Co-Chair David Warrilow (UK) explained that the group’s aim was to prepare draft SBSTA conclusions and a draft COP-8 decision, focusing on how the IPCC TAR can help the SBSTA and other UNFCCC bodies in their work. Delegates began by discussing issues raised the previous day in SBSTA on which there appeared to be widespread interest and support, including regional impacts and adaptation, UNFCCC Article 6 (education, training and public awareness), research, observations, and scientific uncertainty. AUSTRALIA highlighted mitigation as another issue of wide interest, while CHINA preferred a focus on adaptation. The GAMBIA urged work on translating science into policy. On uncertainty, several Parties affirmed that this was an important issue, while adding that scientific knowledge continues to improve.

Parties expressed opinions on the question of “stabilization to avoid dangerous effects.” The contact group will continue its deliberations on Friday.

#### **IN THE CORRIDORS**

As SB-16’s second day drew to a close, some participants seemed surprised by the political undercurrent at the meeting. With many delegations expecting talks to enter a more technical phase following COP-7, a number of observers expressed disappointment at the resurfacing of more controversial issues. One delegate noted a “lack of trust” and suggested this could be the legacy of years of turbulent and at times acrimonious discussions. However, others felt a transition phase or “post-Marrakesh blues” would inevitably make its presence felt at this meeting.

#### **THINGS TO LOOK FOR TODAY**

**SBSTA:** SBSTA will reconvene in Plenary I at 10:00 am to consider outstanding issues, including cooperation with relevant international organizations, UNFCCC Article 6, the ozone layer and climate system, and other matters.

**CONTACT GROUPS:** Contact groups are expected to work on developing draft SBSTA conclusions on the following issues: Articles 5, 7 and 8, AII, greenhouse gas inventories, LULUCF, the IPCC TAR, UNFCCC Article 6, and P&Ms. Consult the television monitors for further details.