



## UNFCCC SB-16 HIGHLIGHTS TUESDAY, 11 JUNE 2002

On Tuesday, SBI convened in the morning to consider national communications from non-Annex I Parties, implementation of UNFCCC Article 4.8 and 4.9 (adverse effects), least developed countries (LDCs) and capacity building. Following SBI's conclusion, SBSTA met to address the adoption of its agenda, technology transfer, the proposal on cleaner or less greenhouse gas-emitting energy, and implementation of Protocol Article 2.3 (adverse effects of policies and measures).

Contact groups also met to continue their work on: Protocol Articles 5 (methodological issues), 7 (communication of information), and 8 (review of information); policies and measures (P&Ms); and the IPCC TAR. The contact group on greenhouse gas inventories concluded its consideration of relevant draft conclusions and decisions.

### SBI

**NON-ANNEX I NATIONAL COMMUNICATIONS:** On the work of the Consultative Group of Experts (CGE), SBI Chair Estrada said draft conclusions would be prepared.

On the revision of guidelines, Chair Estrada drew attention to the proposed improved guidelines (FCCC/SBI/2002/INF.2). ZIMBABWE, for the AFRICA GROUP, and SAMOA, welcomed the focus on vulnerability and adaptation assessment. The US called for all Parties to submit national communications every 3-5 years, and for all Parties, with the exception of LDCs and those highly vulnerable to climate change, to submit greenhouse gas inventories every two years. The US also proposed that the CGE use national communications to assess opportunities for mitigation and adaptation in developing countries. TUVVALU cautioned against overloading reporting requirements, and said this distracts from implementing real actions "on the ground." CHILE emphasized the voluntary nature of the information contained in national communications. Chair Estrada said an informal group would be convened later in the day.

On financial and technical support, Chair Estrada noted information received from the GEF (FCCC/SBI/2002/INF.1). Many Parties highlighted the importance of financial support. Chair Estrada concluded the discussion by observing that the subject would be revisited at SB-17.

**ADVERSE EFFECTS:** On implementation of UNFCCC Article 4.8 and 4.9. Daniela Stoytcheva (Bulgaria) reported on a workshop held from 16-18 May on the status of modeling activities to assess the adverse effects of climate change and the impact of response measures. She said the report of the workshop would be presented for consideration at COP-8, and noted that two additional workshops under this decision prior to COP-8 will address insurance and risk assessment.

ZIMBABWE, for the G-77/CHINA, highlighted the importance of a mechanism to ensure implementation of Article 4.8 and 4.9, and expedited activities under Article 4.9 (LDCs). The US

stated that current modeling remains highly uncertain, and CANADA and AUSTRALIA stressed the importance of data availability. IRAN, ALGERIA and BURKINA FASO encouraged establishing links with capacity building and UNFCCC Article 6. Chair Estrada, opposed by CANADA, AUSTRALIA, and JAPAN, said submissions on this issue made by Saudi Arabia and Iran could be compiled in a miscellaneous document for consideration by COP-8. A contact group was formed to draft conclusions.

**LDCS:** The LDC Expert Group (LEG) Chair Bubujallow (Gambia) reported on LEG activities (FCCC/SBI/2002/5). He said the first LEG meeting, held from 26-28 February 2002 in Arusha, Tanzania, had elaborated the LEG's work programme. He stressed the importance of capturing synergies between this work and activities under other processes, as well as linkages to national sustainable development strategies.

MALI supported prioritizing the implementation of national adaptation programmes of action (NAPAs). The EU said the LEG should focus on strategic activities where it has a comparative advantage. The SBI endorsed the work programme.

**CAPACITY BUILDING:** Chair Estrada noted that COP-7 had adopted frameworks for building capacity in developing countries and EITs. The Secretariat reported on progress made in their implementation, stressing the need to exchange information on experiences prior to the review of the frameworks at COP-9. The G-77/CHINA welcomed funding to facilitate implementing capacity building activities, and supported further efforts in this regard. The CG-11 stressed the importance of capacity building, in particular as Protocol ratification progresses. Chair Estrada took note of questions raised by delegates regarding GEF funding and said he would prepare draft conclusions addressing these concerns.

### SBSTA

#### RELATIONSHIP BETWEEN OZONE AND CLIMATE

**EFFORTS:** On the relationship between efforts to protect the stratospheric ozone layer and those to safeguard the global climate system, GREENPEACE urged Parties to minimize risks relating to hydrofluorocarbons (HFCs).

#### ORGANIZATIONAL MATTERS: Adoption of the

**Agenda:** Noting that consultations had taken place on this matter, SBSTA Chair Thorgeirsson invited delegates to adopt the agenda, including amended items on "issues related to cleaner or less greenhouse gas-emitting energy" and on "issues related to the implementation of Protocol Article 2.3." He said the SBSTA may refer components of the latter item to the SBI, but it will not appear on the SBI agenda. Delegates adopted the agenda.

**TECHNOLOGY TRANSFER:** Chair Thorgeirsson reported that the Expert Group on Technology Transfer (EGTT) had completed its work on Saturday, 8 June. EGTT Vice Chair William Kojo Agyemang-Bonsu (Ghana) reported on the agreed 2002-2003 work programme, and Chair Thorgeirsson said relevant SBSTA conclusions would be drafted.



**OTHER MATTERS: Proposal on Cleaner or Less Greenhouse Gas-Emitting Energy:** Chair Thorgeirsson drew delegates' attention to the workshop report on cleaner or less greenhouse gas-emitting energy (FCCC/SBSTA/2002/INF.8). CANADA, opposed by the G-77/CHINA, EU, CG-11 and NORWAY, proposed a draft decision to permit it to receive assigned amount units equivalent to the global environmental benefit created by its exports of cleaner or less greenhouse gas-emitting energy in the first commitment period, not exceeding 70 million tonnes of carbon dioxide-equivalent annually (FCCC/SBSTA/2002/MISC.3/Add.1). Many Parties asserted that Canadian cleaner energy exports constitute "business as usual" and questioned the proposed decision's potential precedent-setting effect, its legal basis, and its possible impact on incentives for Annex I Parties to reduce emissions. The EU observed that the Marrakesh Accords took national circumstances into account, and TUVU noted that the proposal did not account for trade in unclean energy. The RUSSIAN FEDERATION expressed interest in a future discussion on the matter, noting that his country also exports cleaner energy. SAUDI ARABIA suggested that consideration on the proposed draft decision not proceed until methodological and legal issues are resolved, and proposed organizing a workshop and an IPCC evaluation. CANADA, with NEW ZEALAND, JAPAN and the RUSSIAN FEDERATION, suggested that Parties discuss the proposed draft decision further at COP-8. Chair Thorgeirsson said he would engage in consultations and present draft conclusions Thursday.

**Implementation of Article 2.3:** SAUDI ARABIA stressed the importance of Protocol Article 2.3, which addresses the adverse effects of Annex I Parties' P&Ms. He noted the distinction between this Article and Protocol Article 3.14, which he said addresses adverse effects resulting from Annex I Parties' implementation of commitments. He underscored international trade aspects in Article 2.3 and supported a workshop to examine the impacts of this trade. He urged a synthesis report of P&Ms reported in Annex I national communications and a COP-8 decision on any results of these activities. JAPAN noted a COP-7 decision (9/CP.7) requesting the Secretariat to organize a workshop before COP/MOP-2 relating to reporting on minimizing impacts of response measures and, supported by the EU and CANADA, said this addressed Saudi Arabia's concerns. SAUDI ARABIA, LIBYA, KUWAIT and UNITED ARAB EMIRATES stated that the workshop outlined in the COP-7 decision addressed Article 3.14, and said a separate workshop should be held on Article 2.3.

Chair Thorgeirsson suggested that Parties reflect on the issue and submit their views to the Secretariat. He said he would undertake informal consultations and present draft conclusions to the SBSTA on Thursday.

#### CONTACT GROUPS

**ARTICLES 5, 7 AND 8:** Delegates continued consideration of the draft COP-8 decision on demonstrable progress under Protocol Article 3.2, agreeing to text requesting Parties to report on progress in accordance with UNFCCC and Protocol Article 7 guidelines, and "incorporating any relevant contribution pursuant to decision 13/CP.7," which relates to work under P&Ms. Parties could not agree on a G-77/CHINA proposal that the information submitted should be evaluated along with the national communication, and the issue will taken up in informal consultations. An informal drafting group continued work throughout the day on the expedited procedure for reinstatement of eligibility to use the mechanisms.

**POLICIES AND MEASURES (P&MS):** Co-Chair Suk-Hoon Woo (Republic of Korea) introduced draft conclusions for consideration by the group, noting that the text was based on language used in the relevant COP-7 decision (13/CP.7).

The EU, CANADA, AUSTRALIA and others endorsed the text as a good basis for further discussion. Stressing that good practice in P&Ms applies to Annex I Parties, SAUDI ARABIA, for the G-77/CHINA, proposed inserting reference to this in all appropriate parts of the text.

On a paragraph requesting the Secretariat to organize a stock taking exercise and exchange of views immediately before SB-17, the EU, SAMOA, POLAND and SWITZERLAND preferred this exercise to take the form of an intersessional informal consultation, while the US, JAPAN, AUSTRALIA and SAUDI ARABIA favored holding a side event.

On text agreeing on a "frame for action" to consider further steps to advance work on P&Ms, the US proposed limiting the reference to considering further steps "in implementing decision 13/CP.7." The EU, SAMOA, NEW ZEALAND, AUSTRALIA and JAPAN preferred the original formulation, or variations on this formulation. Co-Chair Pierre Giroux said a revised text would be produced in time for the next meeting on Wednesday.

**GREENHOUSE GAS INVENTORIES:** The contact group on guidelines on reporting and review of greenhouse gas inventories from Annex I Parties completed its work on the Co-Chairs' draft working paper, and the report on the expert meeting to assess experiences (FCCC/SBSTA/2002/2/Add.1). Parties agreed to some amendments to the Co-Chairs' draft paper, including those on issues under the general approach, scope of the initial check of annual inventories, synthesis and assessment report, timing, and review of individual annual inventories. Delegates concluded their work by approving the Co-Chairs' draft SBSTA conclusions and draft COP-8 decisions. The conclusions agree on the guidelines on reporting and review of greenhouse gas inventories, and urge Parties to submit their inventories in accordance with the guidelines and the review process. The draft decisions adopt the reporting guidelines and revised guidelines for technical review of greenhouse gas inventories.

**IPCC TAR:** The contact group convened in the evening to continue consideration of the draft conclusions. On a paragraph noting that the IPCC TAR provides information with long-term relevance in the context of the UNFCCC's ultimate objective, MALAYSIA, for the G-77/CHINA, suggested deleting a sentence on the need to explore the balance between mitigation and adaptation, while CHINA and SAUDI ARABIA suggested removing the entire paragraph. CANADA, the EU, NORWAY, JAPAN, RUSSIAN FEDERATION, and NEW ZEALAND highlighted the importance of issues addressed in this paragraph, and favored retaining it in some form. The US expressed concerns at a sentence that invites submissions from Parties. The text was bracketed.

Following a short break to allow the Co-Chairs to revise the draft conclusions to reflect Parties' comments, the contact group reconvened later on Tuesday night to consider the updated text. Participants then proceeded through the new text paragraph-by-paragraph, with negotiations continuing late into the night.

#### IN THE CORRIDORS

The corridors were eerily empty Tuesday evening as delegates met behind closed doors to discuss SBSTA conclusions for the various agenda items in time for translation deadlines Wednesday. While work progressed steadily on technical details relating to the revision of Annex I national inventories, some observers were holding their breath in anticipation of additional controversy over the Canadian proposal on LULUCF under the CDM, which redefines the baseline year for reforestation. Discussions on this item were brought to a quick finish Saturday night at the last meeting of the contact group, but some said disagreements linger.

#### THINGS TO LOOK FOR TODAY

**SBI:** SBI will convene at 10:00 am in Plenary I to address adoption of the agenda, the Central Asia and the Caucasus, Albania and Moldova (CACAM) request, and Croatia's proposal on LULUCF.

**CONTACT GROUPS:** Contact groups are scheduled to meet on UNFCCC Article 6 (education, training and public awareness), Article 4.8 and 4.9, P&Ms, Articles 5, 7 and 8, the IPCC TAR, and non-Annex I national communications.