



UNFCCC SB-16 HIGHLIGHTS WEDNESDAY, 12 JUNE 2002

The SBI convened in the afternoon to consider the adoption of its agenda, a request from a group of countries from Central Asia and the Caucasus, Albania and Moldova (CACAM), and a proposal by Croatia on LULUCF.

Participants also met in contact groups throughout the day to consider UNFCCC Article 6 (education, training and public awareness), UNFCCC Article 4.8 and 4.9 (adverse effects), policies and measures (P&Ms), Protocol Articles 5 (methodological issues), 7 (communication of information), and 8 (review of information), the IPCC TAR, and guidelines on non-Annex I national communications.

SBI

ORGANIZATIONAL MATTERS: Adoption of the

Agenda: The US recalled his proposal of Monday, 10 June for an additional item to be included on the SBI agenda regarding transparency of the UNFCCC process, noting that the modified proposal was now entitled "effective participation in the UNFCCC process." SBI Chair Estrada said the Secretariat would prepare a document containing an analysis of the situation in other bodies and a description of possible solutions. He suggested postponing the discussion until SB-17. The US and CANADA urged a preliminary exchange of views at the current session. VENEZUELA, for the G-77/CHINA, said little time remained for this discussion and preferred the Chair's suggestion. Adoption of the agenda was postponed.

CACAM REQUEST: ARMENIA, for the CACAM group of countries, said the group was seeking clarification on the definition of the term "developing countries," and on their status in the context of UNFCCC decisions, including those taken at COP-6. He said the CACAM countries were proposing that all references to "developing countries" in these decisions should be changed to "developing countries and other Parties not included in Annex I." The EU stressed that none of the CACAM countries are included in Annex I, and said they therefore belong in the group of non-Annex I Parties. He supported consideration of this issue, and said care should be taken when drafting conclusions, using the term "Parties not included in Annex I," as employed in the UNFCCC text. CANADA said no Parties should be excluded from representation in treaty bodies. VENEZUELA, for the G-77/CHINA, said examination of the term "developing countries" was not necessary. Chair Estrada said he would continue consultations and report on these at SB-17.

OTHER MATTERS: Croatian Proposal on LULUCF: On the proposal by Croatia to consider its forest management activities under Protocol Article 3.4 (additional activities), Chair Estrada noted that consultations on a related Croatian proposal on changing its base-year emissions were being undertaken by SBSTA. He said it was agreed that both issues would be resolved concurrently, and that the proposals would be addressed at SB-17. The EU noted that the discounted forest management value proposed by Croatia exceeds the value provided by the FAO, and said the matter should be forwarded to SBSTA for consideration once the question of the base-year emissions has been resolved. CROATIA said it did not consider it necessary for SBSTA to address this issue given that a technical review had already been carried out, and agreed with Chair Estrada's suggestion to take up both its issues simultaneously.

CONTACT GROUPS

ARTICLE 6: Co-Chair Jean-Pascal van Ypersele introduced revised draft conclusions and a draft decision on an Article 6 work programme. After extensive paragraph-by-paragraph discussion on the conclusions, Parties agreed to forward them to SBSTA for approval, and to defer discussion on the draft decision to SB-17. The conclusions acknowledge the possible scope of a work programme, take note of the need to consider reviewing the guidelines for national communications from Annex I Parties as they relate to Article 6 activities, and invite the SBI to consider, at SB-17, the issue of financial and technical support in the implementation of a work programme on Article 6. Parties could not agree on the need for a work programme that would take into account the "availability of financial resources" and/or Article 4.7 (technology transfer), and reference to these items was deleted.

ADVERSE EFFECTS: On implementing UNFCCC Article 4.8 and 4.9, Parties discussed Chair Daniela Stoytcheva's draft SBI conclusions. ZIMBABWE, for the G-77/CHINA, said the conclusions failed to make a clear reference to the COP-7 decision on adverse effects (5/CP.7), and stressed the importance of reflecting views of implementation progress on wider activities. She also opposed a sub-paragraph that notes that in the absence of funding, the proposed insurance and risk assessment workshops could be scheduled after COP-8. IRAN emphasized the importance of future modeling activities. CANADA urged Parties to consider the workshop TORs. AUSTRALIA, CANADA, the EU and US said Parties should follow SBI Chair Estrada's request for a decision on process, not on substance. Parties agreed to delete reference to financial contributions, but were unable to reach consensus on the

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importance of modeling activities, the scope of submission of Parties' views, and future workshops and their TORs. Chair Stoytcheva adjourned the meeting to hold informal consultations.

Delegates reconvened in the evening to consider new draft conclusions. The G-77/CHINA maintained that the draft conclusions failed to reflect the wider implementation of activities. NEW ZEALAND, CANADA, the EU and US supported the revised conclusions, arguing that they provided a balanced compromise. Following further amendments, delegates agreed on the conclusions, which note the provision achieved to date on implementation of the Article and invite Parties to submit an oral update on the modeling workshop. In addition, the conclusions invite Parties to submit views on progress by 1 August 2002, and stress the importance of the insurance and risk assessment workshops, the outcomes of which will be considered at SB-17.

POLICIES AND MEASURES (P&Ms): Co-Chair Suk-Hoon Woo introduced draft revised conclusions, and Co-Chair Pierre Giroux explained that the text incorporated all elements of the relevant COP-7 decision (13/CP.7). Parties then discussed the draft conclusions paragraph-by-paragraph. On text agreeing on a meeting to facilitate an exchange of views, the US agreed, "in the spirit of compromise," to the EU's wish that this should take the form of intersessional consultations rather than a side event.

Parties also agreed on compromise language on further steps, retaining the reference to a "frame" for defining these steps that was supported by the EU and SAMOA, and deleting the notion of "in-depth" information-sharing as an element of this frame, as requested by the US.

On a paragraph inviting relevant international and intergovernmental organizations to report on their activities to SB-17, delegates compromised by accepting the EU's preference for reference to the IPCC, while at the same time accommodating the G-77/CHINA's desire to refer to P&Ms "in Annex I Parties" in another part of the text.

At the conclusion of the meeting, the G-77/CHINA proposed an additional paragraph outlining principles for addressing P&Ms. Co-Chair Giroux highlighted existing text that he believed addressed this issue, and suggested placing the proposal in brackets pending further internal G-77/CHINA consultations. Noting that agreement had been reached on all issues except for this proposal, he thanked the group for completing its work, and said updated draft conclusions would be forwarded to the SBSTA.

ARTICLES 5, 7, AND 8: Delegates agreed on a revised version of the draft COP-8 decision on demonstrable progress under Protocol Article 3.2. Another draft COP-8 decision was agreed that included a new version of the guidelines for the expedited procedure for the review for the reinstatement of eligibility to use the mechanisms.

The group considered the draft conclusions on Articles 5, 7 and 8, which relate to work on: demonstrable progress; review of reinstatement of mechanisms' eligibility; the pending parts of the guidelines under Articles 7 and 8; methodologies for adjustments under Article 5.2; treatment of confidential data; and training of ERT members.

Regarding the pending parts of the Article 7 and 8 guidelines, participants agreed that the draft text considered during the current session would remain the basis for work at SBSTA-17, and Parties would submit views by 1 August. The G-77/CHINA suggested adding a new paragraph stating that SBSTA agrees to further elaborate the pending parts of the guidelines following the result of the process of developing definitions and modalities for including LULUCF under the CDM. He stressed the need to link the work on

the guidelines with that on LULUCF under the CDM. The EU noted that the guidelines are scheduled to be completed by COP-8, while the work on LULUCF under the CDM continues up until COP-9. CANADA, with NEW ZEALAND, JAPAN and AUSTRALIA, stressed that the guidelines can be adjusted later through a COP or COP/MOP decision and there is no need to add language in this regard. He proposed alternative language, in which Parties "take note of ongoing work" on LULUCF under the CDM. The EU suggested adding consideration of the implications of this work, "if any," on the work under Articles 5, 7 and 8 at a later stage.

After protracted discussions, Parties arrived at a compromise according to which SBSTA takes note of its continuing work on LULUCF under the CDM and agrees that it may be necessary to consider the implications, if any, of the decision scheduled to be taken at COP-9 on this issue for the results of the work on the pending parts of the guidelines.

IPCC TAR: Co-Chair David Warrilow opened the contact group late Wednesday evening, noting that prolonged informal consultations had taken place earlier in the day. He introduced the latest revision of the draft conclusions, noting agreement during informal talks on a number of paragraphs. He also identified areas where agreement had not been reached, including language for a paragraph on the TAR synthesis report.

Parties then considered the text paragraph-by-paragraph. CANADA, the SEYCHELLES and others expressed concern at further changes that might dilute the text. Discussions continued late into the night, with several Parties objecting to the process for moving forward in negotiations, and disagreements remaining on a number of paragraphs.

NON-ANNEX I NATIONAL COMMUNICATIONS: In a closed meeting in the early afternoon, the G-77/CHINA said it was unwilling to negotiate on the current Chairs' text. Parties gave their views and agreed to give the G-77/China time to coordinate its position. The meeting was reconvened in the evening and delegates exchanged opinions on the sections of the draft guidelines on national circumstances and national greenhouse gas inventory information.

IN THE CORRIDORS

The seemingly endless haggling over text on the IPCC TAR was the talk of the corridors Wednesday night. Having spent much of the last two days in heated discussions, negotiators identified arguments over proposals to refer to the ultimate objective of the Convention under Article 2 as a major sticking point. Apparently, reference to this issue was opposed by certain Parties from both North and South, while others saw its inclusion as important for moving forward.

Meanwhile, some delegates expressed satisfaction at the positive nature of talks in the P&Ms contact group, while participants in the group on adverse effects saw some minor hiccups finally resulting in agreement on the draft conclusions.

In other news, a South-South disagreement surfaced late on Wednesday over adopting guidelines on non-Annex I national communications, with one delegate expressing "frustration and boredom" with the ongoing polarization on the issue.

THINGS TO LOOK FOR TODAY

SBSTA: SBSTA will convene at 10:00 am and again at 3:00 pm in Plenary I to adopt conclusions on its agenda items.

INFORMAL GROUPS: An informal group on the revision of the guidelines for the preparation of national communications from non-Annex I Parties will be held at 10:00 am in Reger.