



UNFCCC SB-18 HIGHLIGHTS FRIDAY, 6 JUNE 2003

Delegates to the Eighteenth Sessions of the UNFCCC Subsidiary Bodies (SB-18) continued their deliberations Friday, convening meetings of the SBI and SBSTA and a number of contact and informal groups. In the morning, the SBSTA addressed cooperation with relevant international organizations, and other matters, including issues relating to cleaner or less-greenhouse gas-emitting energy, and issues relating to the implementation of Protocol Article 2.3 (adverse effects of policies and measures). In the afternoon, the SBI met to discuss several items, including: non-Annex I financial matters; capacity building; national communications; and a request by a group of countries of Central Asia and the Caucasus, Albania and the Republic of Moldova (CACAM) regarding their status under the UNFCCC. Contact groups were also held on: the programme budget for the biennium 2004-2005; implementation of UNFCCC Article 4.8 and 4.9 (adverse effects); Protocol Articles 5 (methodological issues), 7 (communication of information) and 8 (review of information); the IPCC TAR; research and systematic observation (R&SO); policies and measures (P&Ms); and capacity building.

SBSTA

COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS: The CCD Secretariat recommended that synergies between conventions take place at field level. The RAMSAR Secretariat noted that governments may face challenges in simultaneously meeting their commitments under the UNFCCC and Ramsar Convention. The IPCC provided an update on its activities. The FAO reviewed its capacity-building work on forests and climate change, and the IUCN noted its technical and legal support to several developing countries on definitions and modalities for sinks in the CDM. The RUSSIAN FEDERATION announced its ratification of the CCD. SWITZERLAND, with the EU, proposed that the UNFCCC Secretariat regularly report on relevant WTO activities. CANADA, COLOMBIA and the US supported Chair Thorgeirsson's suggestion that such reporting activities be undertaken at national level instead. COLOMBIA, opposed by KUWAIT and SAUDI ARABIA, suggested using the Secretariat's Note on the WTO for future discussion on this issue.

OTHER MATTERS: Issues relating to cleaner or less-greenhouse gas-emitting energy: CANADA, supported by the RUSSIAN FEDERATION, and opposed by the EU and G-77/CHINA, requested that SBSTA conclusions take note of Canada's proposal for a study on the role of trade in cleaner energy in meeting the objectives of the UNFCCC and the Protocol. Chair Thorgeirsson said he would hold informal consultations and prepare draft conclusions on this issue.

Issues relating to the implementation of Protocol Article 2.3: The G-77/CHINA requested, *inter alia*, that this issue be made a regular agenda item, and that SBSTA consider a draft deci-

sion on initial actions. CANADA and the EU argued that this issue is adequately addressed by previous decisions. Chair Thorgeirsson said he would hold informal consultations and prepare draft conclusions on this issue.

Any other matters: The RUSSIAN FEDERATION, with AUSTRALIA, CANADA, JAPAN and the US, suggested SBSTA express support for the World Conference on Climate Change, to be held in Moscow from 29 September to 3 October 2003.

SBI

Chair Stoycheva announced that Rawlestone Moore (Barbados) and Jaap Rooimans (the Netherlands) would co-chair the contact group on the Special Climate Change Fund, and that Mamadou Honadia (Burkina Faso) and José Romero (Switzerland) would co-chair the informal consultation on the LDC Fund. ESTONIA, for the CENTRAL GROUP ELEVEN, announced that the group had decided to terminate its activities. CROATIA, for BULGARIA and ROMANIA, said that they would cooperate in a new group called the Central Group.

NON-ANNEX I FINANCIAL MATTERS: The GEF reported on the outcomes of its Council meeting in May 2003, and highlighted several decisions regarding support for national communications. The G-77/CHINA urged Parties to complete their national communications as soon as possible. With BOLIVIA, COLOMBIA, PAKISTAN and AOSIS, he called for the timely disbursement of financial resources, and for holding regional and subregional workshops on the guidelines for the second national communications. Chair Stoycheva said she would prepare draft conclusions on this issue.

CAPACITY BUILDING: The Secretariat noted the comprehensive review of the framework for capacity building at COP-9. The G-77/CHINA stressed that the review process should contain an analysis of current project and programme implementation in response to decision 2/CP.7 (capacity building in developing countries), identify gaps and possible areas for further improvement in implementation, and outline steps to be undertaken by SBI in monitoring capacity-building activities. CANADA said that the review should also include activities undertaken prior to the COP-7 decision. JAPAN cautioned against adopting standardized elements and guidelines for the review. Chair Stoycheva announced that a contact group chaired by Dechen Tsering (Bhutan) would consider this issue.

UNFCCC ARTICLE 6: Jean-Pascal van Ypersele (Belgium) reported on the UNECE regional workshop. During the workshop, participants made recommendations on aspects of the national and international-level implementation of Article 6, including formal and non-formal education and the need for public awareness. Several Parties, UNEP, UNESCO and ISDR, supported the development of an information-network clearing house. BOTSWANA and THAILAND offered to host regional workshops.

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ANNEX I NATIONAL COMMUNICATIONS: The US reaffirmed its commitment to reduce its emissions intensity and opposed the creation of new bodies to review the communications. AUSTRALIA said that while it did not intend to ratify the Protocol, it was still committed to achieving its emission target under the Protocol. The G-77/CHINA and AOSIS expressed concern that emissions could continue to rise, despite mitigation measures, and urged Annex I Parties to implement more rigorous policies and measures. Chair Stoycheva said that she would prepare draft conclusions on this issue.

CACAM REQUEST: On the status of the CACAM group of countries under the UNFCCC, Chair Stoycheva said she would continue to consult informally and prepare draft conclusions.

OTHER MATTERS: The use of guidelines for the preparation of non-Annex I national communications: CUBA, with BURKINA FASO, the G-77/CHINA and TUVALU, said the implementation of the guidelines will require additional financial resources and capacity building, and, with the EU, emphasized the need to focus on vulnerability and adaptation, and greenhouse gas inventories. Chair Stoycheva said she would prepare draft conclusions on this issue.

Proposal by Croatia on LULUCF and Special Circumstances of Croatia under UNFCCC Article 4.6: Chair Stoycheva said these items were considered jointly. The Secretariat introduced documents containing Croatia's submission on its proposed forest management value and emissions inventory adjustments. The EU encouraged Croatia to submit a consistent time series of emissions data using consistent methodologies for 1990-2001. BOSNIA and HERZEGOVINA, and SERBIA and MONTENEGRO indicated it could not support Croatia's greenhouse gas emissions inventory adjustments for the 1990 base year. Jim Penman (UK) will facilitate informal consultations on the Croatian proposals.

CONTACT GROUPS

PROGRAMME BUDGET: Contact group Chair John Ashe (Antigua and Barbuda) presented a draft COP-9 decision containing three options on the draft budget and indicative scales that separate financing for UNFCCC and Protocol activities to differing degrees. The US stressed the importance of accounting methods, especially under the UNFCCC Trust Fund for Supplementary Activities, and, with JAPAN and the RUSSIAN FEDERATION, requested indication of those activities directly related to the Protocol. CANADA, the US and the EU said budget decisions taken while the UNFCCC is in a "transition period" could set a precedent for future decisions, and, with AUSTRALIA and JAPAN, requested a breakdown of costs associated with the three options in the Chair's paper.

IMPLEMENTATION OF UNFCCC ARTICLE 4.8 AND 4.9: This contact group, co-chaired by Robert Mason (UK) and Fadhel Lari (Kuwait), met to consider progress on the implementation of activities under decision 5/CP.7 (implementation of UNFCCC Article 4.8 and 4.9). The EU, US and CANADA highlighted progress made, including the GEF's third replenishment, the establishment of the LDC Fund, and development of guidelines for NAPAs. The G-77/CHINA, supported by SAUDI ARABIA, AOSIS, KUWAIT and LIBYA, said that progress to date was insufficient and urged Parties to begin by examining the recommendations of the recent risk assessment and insurance workshops. The US, EU and AUSTRALIA objected to this suggestion. Following requests by NEW ZEALAND, AUSTRALIA, the US and EU, informal consultations were held on the agenda of the workshop on synergies scheduled for 2-4 July 2003, in Espoo, Finland.

PROTOCOL ARTICLES 5, 7 AND 8: Delegates discussed means to improve the professionalism and performance of the expert review teams (ERTs), and training. On improving ERT performance, Parties addressed proposed elements for inclusion in the Agreement for Expert Review Services. The EU, supported by

ARGENTINA and BOLIVIA, said information provided by Parties for the inventory review could be used by the experts in preparing their countries' inventories, but should not be disclosed to a third party. Addressing disclosure of information during the review process, Parties questioned whether the Party being reviewed would be privy to information on the review. Delegates also discussed whether information and observations can be shared with lead reviewers not on the review team. The US asked how conflicts of interest of ERT members might be addressed.

On training, delegates discussed courses for experts, including the status of those who fail examinations, and whether examinations should be mandatory and courses should have final seminars. Co-Chair Newton Paciornik said the Co-Chairs would draft conclusions on this issue.

IPCC TAR: Co-Chair David Warrilow provided an overview of draft conclusions and elements of a draft decision. Following discussion, delegates agreed that they needed more time to consider the text.

RESEARCH AND SYSTEMATIC OBSERVATION: After making minor amendments to the Co-Chairs' text, the contact group finalized consideration of draft conclusions and a draft decision on this issue.

POLICIES AND MEASURES: The EU, supported by the US, suggested holding workshops to share information on sector or sub-sector specific activities. The G-77/CHINA said information sharing should focus on the adverse effects of P&Ms on developing countries. The US, supported by SAMOA, suggested that the Secretariat develop terms of reference (TORs) for future workshops in accordance with decision 13/CP.7 (P&Ms), which refers to adverse effects. The G-77/CHINA opposed additional workshops, regardless of their TORs, citing budgetary constraints and the need for "a total discussion" on the implementation of decision 13/CP.7. JAPAN, supported by the EU, suggested further enhancing web-based information exchange. Co-Chair Richard Muyungi (Tanzania) said he would prepare draft conclusions for discussion.

CAPACITY BUILDING: In this contact group, chaired by Dechen Tsering, delegates exchanged views on their expectations and on the process of the comprehensive review of capacity-building activities in developing countries. Chair Tsering said she would prepare a draft decision for consideration in the group.

IN THE CORRIDORS

Expressing concern that their indicative contribution to the UNFCCC budget could rise "dramatically," some delegates wondered how to enforce budget discipline. Others welcomed a larger budget as an indication that the Secretariat is enhancing its ability to meet the ever-increasing needs of Parties. Some observers noted that while there was a legal and procedural justification to separate the work programmes of the UNFCCC and the Protocol, the financial consequences of the separation could constrain the work of the COP/MOP.

THINGS TO LOOK FOR TODAY

Special Climate Change Fund: This contact group will meet at 10:00 am in Schumann.

Articles 5, 7 and 8: This contact group will convene at 11:00 am in Reger.

Capacity building: This contact group will meet in Liszt at noon, and again at 3:00 pm.

IPCC TAR: This contact group will meet at 5:00 pm in Haydn.

Sinks in the CDM: This contact group will convene at 7:00 pm in Schumann.