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HIGHLIGHTS OF UNFCCC COP-2 TUESDAY, 9 JULY 1996

The second day of the Second Conference of the Parties (COP-2) to the Framework Convention on Climate Change commenced with a panel discussion at the *Ad Hoc* Group on Article 13 (AG-13). In the afternoon the third session of the Subsidiary Body on Implementation (SBI-3) met. The third session of the Subsidiary Body for Scientific and Technological Advice (SBSTA-3) met all day.

AD HOC GROUP ON ARTICLE 13 PANEL DISCUSSION

Chair Patrick Szell (United Kingdom) introduced the panel on compliance procedures (Article 13) sponsored by the *Ad Hoc* Group on Article 13 (AG-13). The ILO emphasized non-confrontational procedures to encourage compliance with ILO conventions, as well as the occasional use of adversarial procedures to deal with complaints against States that have not ratified specific conventions. The WTO said failure to implement changes as directed by a panel can lead to a right to "retaliate." The International Instruments Branch of the Centre for Human Rights said the primary aim of implementation procedures is to assist governments. A quasi-judicial process is also available. The Secretariat of the Basel Convention said an Open-ended *Ad Hoc* Committee for implementation has been established to examine annual reports. Any Party can report a breach of obligations by another. The Montreal Protocol Implementation Committee Chair said the Montreal Protocol views traditional methods of bipolar dispute settlement as not sufficient.

The Ministry for Environmental Protection and Nuclear Safety (Ukraine) described the difficulty of complying with the Montreal Protocol following the breakup of the Soviet Union, pointing out that the role of the Implementation Committee of the Montreal Protocol is to catalyze compliance with the treaty, but in a cooperative and non-confrontational manner.

In the ensuing discussion on compliance mechanisms, reports by NGOs highlighted the importance of: a modest start followed by growth and adjustment over time; a standing committee with a clear mandate; handling specific cases; nonconfrontational procedures; data reporting; and a role for NGOs in filing submissions on noncompliance. Summarizing the results of a survey distributed by AG-13, an NGO representative reported responses emphasizing a process which: is facilitative and non-confrontational; does not undermine the authority of the COP; and is developed early.

During questions and answers participants addressed: the utility of incorporating "stringent measures" even where they are

not regularly implemented; the WTO's move to an "automaticity-based" system to avert unilateralism and protect weaker parties; the limitations of an adversarial trade-related model for FCCC; and procedural tactics undermining system confidence and the need for automaticity at all stages of procedures. Additional comments highlighted: adequate technical capacity to meet reporting requirements; cooperative and nonjudicial mechanisms; and the wording of Article 13, which was left deliberately vague as Parties could not agree on a dispute resolution mechanism.

SUBSIDIARY BODY ON IMPLEMENTATION

The third session of the SBI was chaired by Mohamed Ould El Ghaouth (Mauritania). Delegates recommended that the COP take note of several reports on procedural matters relating to establishment of the permanent secretariat. ANTIGUA AND BARBUDA, on behalf of the G77/CHINA, inquired about FCCC liaison arrangements in New York in addition to those in Geneva. FRANCE questioned the cost, and the matter was referred to informal consultations. The meeting then considered a report on legal arrangements for the secretariat in Germany (FCCC/CP/1996/6/Add.1). FRANCE called for more time to study the document and the Chair agreed to facilitate informal discussions.

The Chair then introduced Agenda Item 7(b) on income and budget performance, and resource deployment for 1997 (FCCC/CP/1996/7 and Add.1). The Secretariat summarized Add.1 on the financial performance of the FCCC, contributions and expenditures in 1996, and the forecast for 1996-97. There will be an annual payment of DM1.5 million per year from the German Government and lower staff costs arising from relocation to Bonn. Thirty-five Parties have paid contributions in full and expenditures are in line with COP-1 estimates. Additional requirements for 1996 amount to US\$158,000, and US\$867,400 for 1997. Germany will contribute an additional DM3.5 million annually to a special fund. Executive Secretary Michael Zammit-Cutajar noted that no additional core resources are being sought for 1997. He proposed a revision of the capital reserve level, up from 8.3% of the core budget to 15%. Responding to questions from the US and the EU, the Secretariat said budgeting beyond 1997 will be addressed at the next session of the SBI. No activity is given greater priority than in-depth reviews. JAPAN questioned the proposal to revise the level of working capital reserves. The Chair invited delegations to interact with their capitals to resolve the issue. The SBI then recommended approval of the programme of work for 1996-1997 (FCCC/SBI/1996/11).

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SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

The Chair noted that current positions in SBSTA were difficult to accept, but expressed confidence in the spirit of collaboration. When reviewing the agenda, the RUSSIAN FEDERATION proposed amending the agenda to note the "use of" scientific assessments. VENEZUELA, supported by KUWAIT, proposed producing a written report along with their decisions, because an oral report could leave some things unclear. The Chair said SBSTA should determine whether a written report was necessary after deliberations.

The Secretariat introduced documents on the consideration of the SAR of the IPCC (FCCC/SBSTA/1996/7/Rev.1) and three addenda. He also noted the Report of the second session (FCCC/SBSTA/1996/8). He highlighted two paragraphs, one noting that some delegations had drawn attention to specific findings, the other that some delegations found it premature for SBSTA to highlight specifics.

Bert Bolin, Chair of the IPCC, said SBSTA should not elaborate on the conclusions, but discuss the implications with regard to action and possible targets. He noted the importance of considering the different views on the SAR and said delegates should not try to extract and agree on simplifications, but should give advice regarding specific measures.

The EU recalled that the preliminary views of delegations concerning the SAR were recorded in the report of the last meeting. He urged the COP to endorse the SAR and accept it as the most comprehensive assessment of available scientific information on climate change. Many also expressed support for the SAR and made specific comments, including the US, CANADA, ARGENTINA, the REPUBLIC OF KOREA, COLOMBIA, NEW ZEALAND, BANGLADESH, NORWAY, FIJI, URUGUAY, MAURITIUS, JAPAN, BENIN, MYANMAR, BULGARIA and GREENPEACE. SAMOA, on behalf of AOSIS, supported adoption of the SAR and noted the conclusion that SIDS are among the most vulnerable to climate change. This was seconded by MICRONESIA, the MALDIVES, the MARSHALL ISLANDS and NIUE.

COSTA RICA, on behalf of the G-77/CHINA, said a clear mechanism must be established for the use of scientific information, and noted that SBSTA should not be selective when presenting information. He said that the SAR clearly indicates the negative potential impacts on developing countries. The RUSSIAN FEDERATION said the SAR lacks a quantitative assessment of the permissible level of impact on the climate system. SAUDI ARABIA, OMAN, KUWAIT, UAE, VENEZUELA, IRAN, NIGERIA and AUSTRALIA said it was premature to make recommendations given the lack of certainty in the SAR data. POLAND said that SBSTA should determine how scientific information may be utilized for the FCCC.

INDIA said SBSTA should not base its recommendations solely on the SAR and suggested the IPCC examine the effects of climate change in non-Annex I countries caused by extraterritorial activities and natural climate variability in greater detail. The Chair reminded delegates that SBSTA is mandated to advise the COP and decision-makers based on findings of the IPCC, but may ask for and consider additional information. PAKISTAN cautioned against the use of global generalizations and recommended that the SAR be amended to reflect regional differences in climate change.

The PHILIPPINES, supported by INDONESIA and BRAZIL, said the SAR should be used as a comprehensive whole and not selectively. The heightened vulnerability of developing countries and equity concerns should be further considered. SWITZERLAND agreed the SAR should not be used selectively and that low cost abatement measures, even beyond "no regrets", should be taken immediately. SRI LANKA cautioned against oversimplification of the SAR findings, stating that ambiguities have resulted from the use of "extreme" numerical values.

CENTRAL AFRICAN REPUBLIC, supported by ZIMBABWE, called for an addendum to the SAR noting SBSTA's comments. KOREA suggested that the IPCC try to work more economically by avoiding duplication of work and enhanced data sharing. GEORGIA called for analysis of national and regional impacts, saying mitigation measures would not otherwise be possible. The IPCC CHAIR noted the need to distinguish between scientific assessments and the policies arising out of them and recommended the COP set tentative emission targets.

MEXICO, supported by KOREA, said climate change must be tackled on the basis of common but differentiated responsibilities. CHINA called for distillation of the SAR to a form that could be more useful to the SBSTA in making recommendations, otherwise the SAR should be submitted in its entirety to the COP. The IPCC Chair reminded delegates that while recommendations should be based on scientific information, they are ultimately political judgements that the IPCC is not equipped to make.

Delegates began consideration of Agenda Item 4(a) (national communications of Annex I Parties). The Secretariat introduced the document on possible revision of the guidelines (FCCC/SBSTA/1996/9). JAPAN, supported by the US, proposed a separate informal session to discuss the revised guidelines. CHINA, supported by INDIA, highlighted the importance of technology transfer and called for including language in the body of the guidelines. The EU approved extending the minimum information required and recommended that the revised guidelines include direction for preferred timetables. POLAND and HUNGARY said second reports are being prepared and changing guidelines will lead to delays. SWITZERLAND proposed discussing amendments on a paragraph by paragraph basis. AUSTRALIA highlighted performance indicators.

IN THE CORRIDORS I

COP President Chen Chimutengwende is reported to have begun informal consultations on the unresolved Rules of Procedure. One delegate suggested a resolution in which developed countries relax their requirements for voting on financial issues in return for cooperation from the oil producing states.

IN THE CORRIDORS II

The non-Annex I country of Morocco was seen in the corridors explaining that it was Monaco, not Morocco, that had applied for Annex I status, as erroneously reported in ENB yesterday.

THINGS TO LOOK FOR TODAY

PLENARY: The Plenary will convene from 10:00 to 11:00 a.m. in room XIX to discuss the Election of Officers and the Organization of Work.

SUBSIDIARY BODY ON SCIENTIFIC AND TECHNOLOGICAL ADVICE: SBSTA-3 will reconvene at 11:00 a.m. in room XIX and meet again in the afternoon.

AD HOC GROUP ON ARTICLE 13: The second session of AG-13 will convene at 10:00 a.m. in room XXVI.

SUBSIDIARY BODY ON IMPLEMENTATION: An informal session on budget issues will meet at 11:00 a.m. in room XX, while SBI-3 will reconvene there at 3:00 p.m.

FCCC COP-2 ON THE INTERNET

Earth Negotiations Bulletin reports, photos, links to official documentation and recorded speeches from the opening session of Plenary are available at the Linkages WWW site:

<http://www.iisd.ca/linkages/climate/>