



Earth Negotiations Bulletin

A Reporting Service for Environment and Development Negotiations

Vol. 12 No. 40 Published by the International Institute for Sustainable Development (IISD)

Monday, 3 March 1997

REPORT OF THE SUBSIDIARY BODIES OF THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE: 25-28 FEBRUARY 1997

Three of the subsidiary bodies to the UN Framework Convention on Climate Change (FCCC) met in Bonn, Germany, from 25-28 February 1997: the fifth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA-5), the fourth session of the *Ad Hoc* Group on Article 13 (AG13-4); and the fifth session of the Subsidiary Body for Implementation (SBI-5). The subsidiary bodies held two concurrent sessions, with the SBI holding six meetings, the AG13 holding five meetings and the SBSTA holding four meetings.

SBSTA-5 considered a number of issues, including cooperation with relevant international organizations, activities implemented jointly under the pilot phase, methodological issues and national communications. Delegates reached agreement on the Uniform Reporting Format, requested a work plan for an in-depth review of second national communications and requested a number of reports on technology transfer. Delegates also agreed to expand the technology needs survey instrument. They also noted the Intergovernmental Panel on Climate Change's (IPCC) second and third technical papers.

AG13-4 made notable progress in further refining the function and scope of a multilateral consultative process (MCP). Delegates discussed several iterations of proposals and agreed to a "framework compilation," which reflects areas of convergence and divergence.

SBI-5 considered a number of difficult issues, such as the programme budget, the review of the financial mechanism and actions by the Council of the Global Environment Facility (GEF). Discussions were complex and often lengthy, but delegates agreed on the timetable and process for review of the programme budget, which will be discussed in further detail at SBI-6. They also agreed on the FCCC input to the UN General Assembly Special Session to review the implementation of Agenda 21 and the arrangements for the third meeting of the Conference of the Parties (COP-3). SBI-5 could not agree on the review of the financial mechanism or the activities of the GEF and will continue its discussions during the meeting of the *Ad Hoc* Group on the Berlin Mandate from 3-7 March 1997.

OPENING CEREMONY

On Tuesday, 25 February, Executive Secretary Michael Zammit-Cutajar opened the meetings of the FCCC subsidiary bodies at 10:00 am in the Stadthalle Bad Godesberg in Bonn, Germany. He noted that this meeting marks a new phase in the history of the FCCC. For the first time delegates have assembled at the new seat of the secretariat, which will become the base for one of the most important international negotiating processes. Bonn Mayor Bärbel Dieckmann welcomed participants to Bonn and said the city intends to become a center for addressing international environment and development issues. Parliamentary Secretary Walter Hirche, on behalf of German Environment Minister Angela Merkel, stated that Germany's willingness to host the secretariat demonstrates the high priority it places on the issue of climate change. He called for accelerated negotiations towards an ambitious protocol with strong reduction targets.

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

Chair Tibor Farago (Hungary) opened the fifth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA-5) on 25 February 1997. He stressed the need for work on methodological issues, technology transfer and activities implemented jointly (AIJ). The Executive Secretary called for a

IN THIS ISSUE

Opening Ceremony	1
5th Meeting of the Subsidiary Body for Scientific and Technological Advice	1
5th Meeting of the Subsidiary Body for Implementation.....	4
4th Meeting of the <i>Ad Hoc</i> Group on Article 13	8

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Chad Carpenter, LL.M. <chadc@iisd.org>, Anja Janz <anja@iisd.org>, Marybeth Long <mlong@kgrsch.harvard.edu> and Silke Speier. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James Kimo Goree VI <kimo@iisd.org>. The sustaining donor of the *Bulletin* is the International Institute for Sustainable Development <reception@iisdpost.iisd.ca>. General support for the *Bulletin* for 1997 is provided by the Overseas Development Administration (ODA) of the United Kingdom, the Ministry of Foreign Affairs of Denmark and the Swiss Federal Office of the Environment. Partial support for coverage of this meeting has been provided by the UNFCCC secretariat. The authors can be contacted at their electronic mail addresses or at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada; tel: +1-204-958-7700; fax: +1-204-958-7710. The opinions expressed in *Earth Negotiations Bulletin* are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from the *Earth Negotiations Bulletin* may be used in other publications with appropriate citation. Electronic versions of the *Bulletin* are sent to e-mail distribution lists (ASCII and PDF format) and through the *Linkages* WWW-server at <http://www.iisd.ca/linkages/>. For further information on ways to access, support or contact the *Earth Negotiations Bulletin* send e-mail to <enb@iisd.org>.

firm calendar for future meetings to facilitate preparations. He also pointed to linkages between the SBSTA, AGBM and SBI. TANZANIA, on behalf of the G-77/CHINA, recalled that negotiations should not diverge from the COP mandate. BAHRAIN inquired about embassy access to negotiation information. Following a request from SBSTA-4, the Chair established contact groups on AIJ and methodological issues. The SBSTA deferred the election of officers because consultations with the Chair were still underway. On 28 February, the Chair noted progress on the election of officers and said an agreement should be concluded the following week.

COOPERATION WITH RELEVANT INTERNATIONAL ORGANIZATIONS

On 25 February, the secretariat introduced the document on cooperation with relevant international organizations (FCCC/SBSTA/1997/2). The report addresses coordination between the SBSTA and international organizations, such as the World Meteorological Organization (WMO) and the International Oceanographic Commission (IOC). The report also highlights the Climate Agenda, a framework to coordinate international climate research programmes and activities. The Agenda's major partners include WMO, UNEP, UNESCO, IOC, WHO and FAO. The WMO introduced the Annex to FCCC/SBSTA/1997/2 on international coordinated research and systematic observations programmes, which provides a summary report of activities supporting Article 5 (Research and Systematic Observation). The WMO also noted the WHO/WMO/UNEP report entitled "Climate Change and Human Health" and introduced the Interagency Network on Climate and Human Health.

A number of delegations, including TRINIDAD and TOBAGO, on behalf of the Alliance of Small Island States (AOSIS), and ZIMBABWE, stressed the importance of Article 5 to developing countries. MALAYSIA recognized Article 5 as a basic building block for the Convention and urged the SBSTA to take the lead in implementation. The US stressed the need for greater clarity on the intended role of the GEF regarding Article 5. A number of countries, including the PHILIPPINES, KUWAIT and CANADA, said that the SBSTA should not invite the GEF to support Parties' efforts on improving systematic observations. The PHILIPPINES said that international organizations are not responsible for capacity building. The US noted confusion about whether the SBSTA should function as clearinghouse, implementation agency or funding source. CHINA urged that cooperation between international organizations should take place under the COP assisted by the SBSTA.

ARGENTINA, the US and IRAN expressed concerns regarding participation of developing countries in scientific programmes. ARGENTINA noted insufficient information on the effects of climate change in the Southern Hemisphere. MALAYSIA called for the establishment of long-term climate monitoring stations in developing countries. The EU suggested that research and systematic observations be combined with capacity building and training. SWITZERLAND expressed concern that the WMO's summary report does not adequately address economic and human aspects of climate change. CANADA and AUSTRALIA urged continued development of national programmes.

IPCC Chair Bert Bolin reported on the status of forthcoming IPCC reports and introduced two technical papers on climate models and stabilization of atmospheric greenhouse gases. An additional technical paper on implications of emissions limitations and reduction proposals, to be completed by September 1997, would synthesize existing data and not require new research. KUWAIT, supported by NIGERIA and VENEZUELA, said Parties, rather than the IPCC, should determine the nature of this

paper. VENEZUELA called for a special report rather than a technical paper. The US, supported by AOSIS, responded that the SBSTA had instructed the IPCC to provide a technical paper. The IPCC Chair said that the IPCC made the decision to prepare this paper in consultation with the SBSTA.

AOSIS, the MARSHALL ISLANDS, the US and AUSTRALIA also called for speedy completion of the technical papers. Several delegations, including the EU and VENEZUELA, called for analysis of socio-economic impacts of different limitation proposals. AUSTRALIA urged that such analysis not delay research on temperature and sea level rise. With regard to the IPCC's long-term work programme, the US suggested giving priority to regional and local impacts, and urged securing funds and resources for timely translation and distribution of documents. KUWAIT proposed requesting the IPCC to take note of country submissions, contained in FCCC/SBSTA/1997/Misc.2.

In its draft recommendations, the SBSTA recognized the importance of national activities and coordination of international organizations for the Climate Agenda. It also noted the need for adequate resources to improve systematic observation and research, especially in developing countries. The SBSTA requested Climate Agenda participants to provide periodic work reports to SBSTA and requests the secretariat, the WMO and other organizations to report on observation, research and capacity-building needs.

Several of SBSTA's conclusions concern the IPCC's technical papers. The SBSTA noted completion of technical papers on simple climate models (TP2) and global stabilization of atmospheric greenhouse gas concentrations (TP3). The conclusions also note that the IPCC Chair's report on the Technical Paper on Implications of Emissions Limitations and Reduction Proposals (TP4) was discussed at length and delegates expressed divergent views. The Chair emphasized that the Joint Working Group (JWG) is not a decision-making body and that TP4 discussions concerning the JWG should be viewed as advisory. The SBSTA requested the IPCC, in developing TP4, to consider document FCCC/SBSTA/1997/Misc.2, which contains contributions from seven Parties.

COMMUNICATIONS FROM ANNEX I AND NON-ANNEX I PARTIES

On 25 February, the secretariat made a short report on the progress achieved in the process of national communications from Annex I Parties, on the facilitation of assistance to non-Annex I Parties and the preparation of their national communications, and on responses from non-Annex I Parties on the expected date for submission of their communications. The UK noted that its national communications demonstrate progress toward reducing emissions to 1990 levels by the year 2000. JAPAN urged prompt review of communication results and welcomed the informal workshop. The EU hoped for upcoming workshops, input from the secretariat and submissions from Parties addressing technology transfer issues.

In the draft conclusions on national communications from Annex I Parties, the SBSTA notes the secretariat's report regarding review of first national communications from Annex I Parties. The SBSTA encourages Annex I Parties to submit their second national communications and inventory by 15 April 1997 or in accordance with the COP-2 decision concerning countries with economies in transition. The SBSTA also requests a work plan from the secretariat on an in-depth review of these submissions.

In the draft conclusions on national communications from non-Annex I countries, the SBSTA recalled Articles 12.5 (initial communications) and Article 4.3 (financial resources for developing countries) and noted that least-developed countries may prepare initial communications at their discretion, developing country Parties have yet to receive funding for initial national communications and others have yet to request such funding.

SBSTA recalled Decision 10/CP.2, which requests the Convention secretariat to facilitate assistance to Parties, especially developing country Parties, via workshops and other forms of information and to report to the SBSTA at each of its sessions.

Parties did not reach agreement on funding for voluntary communications of inventories from non-Annex I Parties. The G-77/CHINA stated that available, voluntary inventories would be communicated "should the full costs of inventory preparation be provided by the operating entity of the financial mechanism." The PHILIPPINES supported the G-77/CHINA and called for reference to Article 11.5 (bilateral, multilateral and regional support). The US warned that these recommendations would prohibit voluntary submissions from countries with other funding arrangements. The EU urged that budgetary matters be addressed by the SBI. Parties did not reach agreement on the paragraph concerning funding for communications of inventories. The paragraph was deleted and the decision was adopted.

METHODOLOGICAL ISSUES

On 25 February, the Chair noted relationships between cooperation with international organizations and methodological issues and established an informal group on this issue. The informal group produced draft recommendations, which noted a JWG recommendation that the IPCC, cooperating with other institutions and the FCCC secretariat, "should take the lead" on methods for GHG inventories, climate change impacts, and socio-economic cost-benefit analyses. The secretariat, in consultation with the IPCC and other relevant organizations, was asked to develop a work programme based on the methodological tasks in document FCCC/SBSTA/1996/20.

The issues are: assessing mitigation measures and policies and adaptation options; projecting emissions; evaluating and monitoring the effectiveness of specific policies and measures; assessing mitigation and adaptation technologies; assessing the impact of climate change; and performing a socio-economic cost benefit analysis of adaptation and mitigation options. The SBSTA requested Parties to submit information and proposals on methodological activities by 15 April 1997. These recommendations were adopted without further discussion.

MECHANISMS FOR CONSULTATION WITH NGOS

Discussions on mechanisms and procedures for consultation with NGOs were postponed until the next meeting of the SBSTA, because the secretariat's documentation was not complete. The EU expressed its wish for more NGO involvement and called for prompt attention to consultation mechanisms. In the draft conclusion, the SBSTA requested the secretariat to prepare its document on mechanisms for consultation for the next subsidiary body session and invited SBI-6 to consider it.

DEVELOPMENT & TRANSFER OF TECHNOLOGIES

The secretariat introduced the progress report on technology and technology transfer (FCCC/SB/1991/1) and FCCC/SBSTA/1997/Misc.1 and Add.1 containing submissions by non-Annex I countries on technology needs. The secretariat noted the need to review activities underway on technology and information centers and networks, and reported on the survey of technology and information needs conducted in conjunction with the University of Amsterdam. Luis Villanueva (Venezuela) reported on the informal SBI workshop on aspects of implementation of policies and measures by Annex I Parties. JAPAN then reported on work of the Climate Technology Initiative (CTI) to strengthen National Action Plans, increase use of existing climate friendly technology and improve new technology.

A number of countries welcomed the progress report and requested that the secretariat conduct further surveys of technology and technology information needs. A number of countries, including the EU, the US and CANADA, stressed the importance of the CTI. The G-77/CHINA urged removal of restrictions on technology transfer. The US called for a focus on commercial investment in cleaner technologies in developing countries and on assessments of needs. MALAYSIA said that many technologies are only available commercially. The EU, CANADA and THAILAND also stressed the role of the private sector in technology transfer. MAURITIUS said that governments must approve transfer of technologies from commercial firms. The MARSHALL ISLANDS and CHINA said that solutions do not lie with the private sector.

The G-77/CHINA, supported by KIRIBATI, MALAYSIA, NIGERIA, the MARSHALL ISLANDS, THAILAND, INDIA and TANZANIA, said fulfillment of developing countries' commitments depends on the provision of resources and technology transfer and is the basis for all negotiations, including AGBM discussions. They requested the secretariat to prepare a progress report on technology transfer by developed countries and expressed concern that little progress had been made on the promotion and transfer of adaptation technology. They further proposed that the SBSTA establish an intergovernmental technical advisory panel (ITAP). The difference between AIJ and technology transfer was also stressed.

THAILAND and INDIA noted the importance of endogenous capacity building in developing countries. A number of countries, including the EU, the G-77/CHINA, MALAYSIA, CANADA, SAUDI ARABIA, NIGERIA and THAILAND, emphasized the importance of specialized information centers and networks. The US cautioned that such centers should not replicate existing capabilities. INDIA also advocated use of existing technology information centers. AUSTRALIA said that its technology transfer efforts coincide with needs outlined by CHINA: environmentally sound, appropriate for users, driven by recipient countries, and involving hard and soft technology. The GEF provided an update on its Science and Technology Advisory Panel (STAP), which is working closely with the SBSTA to study technology transfer and identify promising technologies.

Informal consultations resulted in the following draft conclusions. The SBSTA urged the secretariat to accelerate preparation of reports on terms of transfer, adaptation technology and technology information centers, and to complete the itemized progress report by SBSTA-7 on access to and transfer of technology based on Annex I communications. SBSTA further requested the secretariat to expand the technology needs survey instrument, to prepare a report on existing centers and networks, to update the technology inventory for SBSTA-7 and to prepare a scoping paper on the role of the private sector and activities of governments and international bodies in creating conditions for commercial investment in cleaner technologies. CHINA and the PHILIPPINES wanted to add that it is mainly the role of Annex II Parties to carry out such activities. CANADA and the US did not agree. The Chair suggested compromise text: "taking into account the special role of Annex I Parties and the special conditions of non-Annex I countries."

SBSTA further requested the secretariat to report on experiences in using a roster of experts. The G-77/CHINA added that many Parties urged SBSTA to set up ITAPs without delay. The US, supported by the EU, stressed institutional problems of ITAPs and said establishment of an ITAP should await completion of the evaluation report. MALAYSIA added that the SBSTA shall address this issue at its next session. Furthermore, the SBSTA requested Parties to provide information on technology needs and

urged non-Annex I Parties to cooperate in the survey. The draft conclusions were adopted, as amended.

ACTIVITIES IMPLEMENTED JOINTLY UNDER THE PILOT PHASE

On 27 February 1997, delegates discussed activities implemented jointly (AIJ) under the pilot phase and the Uniform Reporting Format (FCCC/SBSTA/1997/3) and a document containing comments from Parties on methodological issues pertaining to AIJ (FCCC/SBSTA/1997/Misc.3). The G-77/CHINA, supported by ZIMBABWE, recalled that the concept of Joint Implementation (JI) only applies to Annex I countries, and that AIJ does not provide for crediting. He said that AIJ worked on a voluntary basis, and that it cannot be a conditionality for technology transfer. AIJ should be reviewed in 1999. Annex I countries should not assume that they would implement the Protocol or other legal instrument though JI. He suggested requesting the secretariat to prepare a report on the long-term consequences of AIJ on developing countries. ZIMBABWE emphasized that AIJ must be nationally driven. The US urged that the SBSTA take up the issue of crediting at its next session. The EU said that Parties should resubmit their reports according to the new uniform reporting framework. He proposed requesting the secretariat to organize a workshop on baselines and monitoring procedures. JAPAN also stressed the importance of institutional arrangements in host countries.

A contact group was established to consider the Uniform Reporting Format and the list of methodological issues. The group considered the annexes to the document on this issue from SBSTA-4 (FCCC/SBSTA/1996/15), which was still open for discussion.

As a result of these informal consultations, the SBSTA adopted and decided to keep under regular review the Uniform Reporting Format contained in annexes 1 and 2 to the draft conclusions (FCCC/SBSTA/1997/L.1). The SBSTA invited Parties to report on AIJ under the pilot phase using the adopted format. The SBSTA also recalled that the submission deadline for contributions to the synthesis report for COP-3 is 30 June 1997. Annex 3 to the draft conclusions contains a list of methodological issues related to AIJ. These include determination of benefits, measurement, reporting and assessment, endogenous capacity-building, transfer of technologies, costs, incentive structures and institutional arrangements. SBSTA requested the secretariat to develop practical options on these issues and to report on the progress made.

The meeting was adjourned on Friday, 28 February, at 1:00 pm.

SUBSIDIARY BODY FOR IMPLEMENTATION

SBI Chair Mohamed Ould El-Ghaouth (Mauritania) opened the fifth session of the Subsidiary Body for Implementation (SBI-5) on Tuesday, 25 February. He noted that SBI-5 must take definitive decisions and, because no SBI meeting is scheduled during COP-3, the group must discharge all its duties beforehand.

FCCC Executive Secretary Michael Zammit-Cutajar addressed a number of items on the SBI agenda. On the review of the financial mechanism, he stated that the GEF needs a predictable demand from the Convention if it is to conduct a successful replenishment, and Parties must send a clear and timely signal regarding their future intentions. On support for initial communications by non-Annex I Parties, he said there is an urgent need for a support arrangement consisting of: a concerted "marketing" effort to ensure that all eligible Parties have access to financial resources; a central point for collecting information on the progress of communication projects; and a programme to enable groups of countries to exchange experiences.

Regarding the election of the SBI's officers, the Chair noted that the issue must be postponed until later in the meeting as consultations were still underway. On 26 February, the Chair reported that José Romero (Switzerland) was elected Vice-President of the SBI and Patricia Iturregui Byrne (Peru) as Rapporteur.

NATIONAL COMMUNICATIONS

On 25 February, the secretariat introduced the document on national communications from Parties included in Annex I to the Convention (FCCC/SB/1997/INF.1). The report describes the progress made with regard to in-depth reviews of first national communications, including two tables listing countries and their progress. The US expressed concerns about the costs of in-depth reviews of national communications and noted that reviews may not be cost-efficient. The FCCC Executive Secretary stated that the funds for the reviews are received from the core UN budget, and are not extra-budgetary spending. He offered to provide the delegates with a programme budget paper in a few days, in addition to the planned complete budget overview in July. The EU expressed concern about the progress of the review process itself and called on all governments to support it. The UK stressed that existing commitments to prepare national communications are as important as future commitments resulting from the Berlin Mandate. The PHILIPPINES requested resuming discussions on the issue after the informal workshop on national communications.

This workshop was convened on Wednesday, 26 February, and chaired by Katsunori Suzuki (Japan). In his report on 27 February, Mr. Suzuki stated that the workshop discussed energy subsidies, environmental legislation and voluntary agreements. Regarding energy subsidies, he noted that several countries are undertaking reforms to introduce competition and market conditions in the energy sectors, including the removal of subsidies, privatization, deregulation and decentralization of decisions.

Participants also noted, *inter alia*, that subsidies for fossil fuel production, which are often motivated by important social concerns, can counteract policies and measures taken to mitigate climate change. The removal of subsidies could be painful in the short term but can bring significant economic and environmental benefits. Regarding environmental legislation, participants noted that countries with economies in transition are presently undertaking major reforms to facilitate transition to market-based economies. This involves the removals of subsidies on energy prices, allocation of property rights, changes in legislation and decentralization of executive powers. Regarding voluntary agreements, participants noted that voluntary agreements between government and industry, as well as other stakeholders, could be effective for mitigating greenhouse gas emissions.

On Friday, 28 February, the SBI considered the Chair's draft conclusions on communications from Annex I Parties (FCCC/SBI/1997/L.1). The conclusions state that the SBI encouraged Annex I Parties to submit their second national communications and inventory data by 15 April 1997. The SBI welcomed the informal workshop held at this session and concluded that the workshop served a useful purpose in allowing Parties and observers to exchange information and views on the implementation aspects of specific policies and measures. The SBI also requested the secretariat to explore the possibility of exchanging information by convening workshops on specific topics in conjunction with future SBI sessions. CHINA noted the costs and the inconsistent quality of workshops. He said the workshops should be convened "when and where necessary." The conclusions were adopted as amended.

Regarding communications from non-Annex I Parties, the Chair's draft conclusions state that the SBI took note of the

activities underway by the secretariat to facilitate the provision of support to non-Annex I Parties for the preparation of their national communications. SBI requests the secretariat to continue to report at future SBI sessions on further progress achieved. CHINA, supported by the CENTRAL AFRICAN REPUBLIC, requested that future progress reports should be prepared, bearing in mind COP-2 Decision 10, which requests the secretariat to report on its activities. The CENTRAL AFRICAN REPUBLIC requested a reference to Article 12.4 (assistance to developing countries) and Article 4.3 (agreed full costs for developing countries). The US noted that the GEF received little response from non-Annex I Parties when it requested information about their needs in preparing their national communications. BURKINA FASO and ALGERIA stressed that procedures to deal with the GEF can be very cumbersome and that efforts made by non-Annex I Parties must be recognized. The conclusions were adopted as amended.

FINANCIAL AND TECHNICAL COOPERATION

REVIEW OF THE FINANCIAL MECHANISM: On Wednesday, 26 February, the secretariat introduced the document, "Financial mechanism: review process referred to in decision 9/CP.1" (FCCC/SBI/1997/2), which contains information prepared by the GEF to assist the SBI in its review of the financial mechanism. The document recalls decision 9/CP.1, which calls for initiation of a review process for the financial mechanism and for taking appropriate measures, including a determination of the definitive status of the GEF. COP-2 requested SBI-4 to undertake this review process. The document updates the report presented by the GEF to COP-2 by providing new information on project financing for the period May-December 1996. The document also highlights other relevant information presented in earlier reports.

The G-77/CHINA stressed the importance of the review, but noted that the document was received rather late and full consideration could not be completed immediately. He said the review could begin at this session and delegates could benefit from the discussions at the upcoming Special Session of the UN General Assembly. He also emphasized the need to increase the GEF's resources. CHINA said the disbursement process should be streamlined and more flexible. COLOMBIA said a review of the financial mechanism this year is premature and more time is needed to examine the results of the GEF's investment projects. IRAN stated that one session would not be sufficient for adequate consideration of the review process. The DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA stated that the GEF does not function efficiently and some projects took three years to get approved.

The EU noted progress on the operational strategy and the Memorandum of Understanding between the GEF and the FCCC. He emphasized the importance of a review every four years to ensure the GEF's conformity with COP guidance, the effectiveness of its projects and the provision of adequate resources. He noted that agreement on details at this session would help establish the role of the GEF and clarify outstanding issues pertaining to its forthcoming replenishment. CANADA said that in addition to discrete projects, the review should also address elements, such as the GEF's ability to cooperate with other international organizations, leverage resources and "mainstream" environmental concerns. The Chair noted the lack of resources and time during the intersessional period. Delegates agreed to suspend discussion of the document to allow more time for review and to revisit the issue in an informal process. On Friday, 28 February, the Chair announced that the informal group on this issue would not complete its work by the end of the week. As a result, the SBI will reconvene during the AGBM meeting to consider the informal group's conclusions.

INFORMATION ON RELEVANT ACTION BY THE GEF COUNCIL: The secretariat introduced the document on relevant action by the GEF Council (FCCC/SBI/1997/Misc.1). The document recalls Decision 10 from COP-2, which requested the secretariat to provide information on the financial support available to non-Annex I Parties for the preparation of their national communications. The document contains information on projects proposed by Parties, funding decisions and date and amount of funds available. The EU noted that the interim operating entity is functioning effectively and that the GEF will be a "cross-point" for the flow of technology. Delegates agreed to suspend discussion of the document to allow more time for review and to revisit the issue in an informal process. On Friday, 28 February, the Chair announced that the informal group on this issue would not complete its work by the end of the week. The SBI will reconvene during the AGBM to consider its conclusions.

DEVELOPMENT & TRANSFER OF TECHNOLOGIES

On 25 February, the Chair noted the SBI's intention to discuss the issue of development and transfer of technology on Thursday, 27 February, and also highlighted the secretariat's progress report on the issue (FCCC/SB/1997/1). The Chair proposed that the SBI defer consideration of the issue to the SBSTA and allow the SBSTA to refer matters to the SBI when appropriate. On 28 February, the SBI accepted conclusions taking note of the workshop on technology transfer. The SBI decided to defer the consideration of this issue and to request the SBSTA to refer relevant issues as necessary.

ADMINISTRATIVE AND FINANCIAL MATTERS

PROGRAMME BUDGET FOR 1998-99 —

PERSPECTIVES ON FINANCIAL REQUIREMENT: On Tuesday, 25 February, the Executive Secretary introduced the document "Administrative and Financial Matters — Programme Budget for 1998-1999: Perspectives on financial requirements" (FCCC/SBI/1997/3). The document outlines the approach of the Executive Secretary in constructing a new work programme that aims to deliver the outputs demanded by the Parties in the next biennium and to support the intergovernmental structure that they have established. The building blocks are sub-programmes corresponding to the main tasks that the secretariat is currently required to perform and are expected to continue through the next biennium. The document also contains: a proposed timetable and process for the consideration and adoption of the programme budget; a section addressing uncertainties and issues on which the Executive Secretary is seeking guidance; and preliminary resource estimates for the core budget. The document envisages that the work of the secretariat for the biennium 1998-1999 will be organized into six programmes: policy-making organs; executive direction and management; science and technology; implementation; conference management and information services; and resources, planning and coordination.

CHINA, supported by the EU, CANADA, JAPAN and the US, welcomed the document and requested more time for its consideration. CANADA and JAPAN also requested more detailed information on specific sections of the document.

On Thursday, 27 February, the Chair distributed additional information on items such as: options on the preliminary estimated costs for conference services; estimates of the costs related to the in-depth reviews in 1996; and estimated staffing of the secretariat for 1998-99. The Executive Secretary expressed the need for guidance on content, the calendar of meetings, the question of providing for an intergovernmental process after COP-3, and liaison arrangements in Geneva and New York. He also requested advice on how to prepare for the possibility that the UN General

Assembly might discontinue financial support for conference services.

The G-77/CHINA stated that the budget must be prepared with maximum transparency and simplicity, and active, informed participation of all Parties. As for the post-Kyoto process, he stated that references to analytical work on flexibility provisions, such as emissions trading, are unacceptable. He reaffirmed the commitment of developing countries to preparing initial communications, but requested the deletion of a paragraph on reviews of national communications. He requested the secretariat to provide to SBI-6: a comparative table of current and future budgets elaborated sector-by-sector; a table indicating different secretariat sectors and their current and 1998 activities; tables on estimated staff for the biennium 1998-1999; and any other information that could facilitate extensive discussion of the budget by the SBI. CHINA and MALAYSIA expressed concern regarding a reference to peer review of national communications and emissions trading. CHINA also said it is premature to have a budget item for an MCP while consultations are ongoing. ARGENTINA supported the option for conference services that allows for contracting translation services from a UN source and interpretation and other sources from commercial contractors.

The EU stated that the issue could be advanced by informal discussions before SBI-6. He requested an explanation for the preliminary increase in professional staff and said it was premature to include the IPCC in the science and technology programme when its relationship to the secretariat is not yet clear. On non-Annex I Party communications, he said that activities should be considered in detail at a later stage. He expressed the hope that 52nd session of General Assembly will decide that conference services for the FCCC will still be in the budget.

The US recognized that the secretariat should coordinate work on developing methodologies but should not undertake the work itself. On conference services, the US supported contracting all services from individual or corporate contractors. He said FCCC contributions to the IPCC budget should stay below 15 percent to ensure its independence and expressed concern at the magnitude of post-Kyoto staff and budget increases. JAPAN also expressed concern regarding the total amount of resources and requested more information on how increases will be accounted for. He proposed revisiting the issue of the post-Kyoto budget in July.

Regarding liaison offices, the US, supported by CANADA, proposed performing periodic visits rather than maintaining liaison offices in New York and Geneva. JAPAN proposed cooperative arrangements for liaison arrangements. The DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA noted that a liaison office in Geneva was essential for developing countries that have missions in Geneva but not in Bonn. COLOMBIA drew the attention of donor countries to the fund for developing country participation and underscored its importance in light of the move to Bonn.

Responding to questions, the Executive Secretary said the document was intended to provoke reactions and, based on delegates' comments, had indeed been "provocative." He said the full programme budget would contain more information and noted that requests for direct comparisons between future and current expenditures present a problem because some current budget items have been spread among other programmes. He also noted that the proposed budget attempts to estimate the resources necessary for the post-Kyoto sessions. An informal group convened during the evening to further discuss the budget.

On Friday, 28 February, delegates considered the Chair's draft conclusions (FCCC/SBI/1997/L.1), which note that the SBI endorses a timetable and process for review and adoption of the programme budget for the biennium 1998-1999. The timetable states, *inter alia*, that: a comprehensive programme budget will be

proposed for consideration and complete review at SBI-6 in July; the recommended decision will provide a total budget with allocations by programme, a secretariat-wide staffing table and a provision enabling the Executive-Secretary to switch resources among programmes within limits; some elements of the budget may have to be recommended as contingencies; and Parties will be notified of their indicative contributions to the core budget by 1 October 1997.

The draft conclusions also note that the SBI requests the Executive Secretary to propose a programme budget for the biennium 1998-1999 for consideration at SBI-6, taking account views expressed by delegations at SBI-5. The SBI also requests the Chair to consider convening broadly representative informal intersessional consultations to facilitate agreement on the programme budget at SBI-6.

CHINA said that the SBI should consider informal intersessional consultations to facilitate agreement on the programme budget "if feasible." On the request for a programme budget, the EU proposed stating that "several delegations noted the proposed increase of the budget and expressed concerns that a full justification should be made before it is agreed." In addition, the EU proposed a "detailed" programme budget and specific outputs from each programme. CHINA proposed noting that "many delegations stressed that any budget proposal must be in line with the Convention provisions and the relevant COP decisions." The US opposed the "Christmas tree" additions and suggested retaining the existing paragraph. The US also noted that he would make additional proposals if the proposals of the EU and CHINA were accepted. CHINA suggested, as an alternative, taking "full" account of the views expressed. The CENTRAL AFRICAN REPUBLIC expressed its preference for including the two additional sentences. Delegates discussed the issue at length and agreed to postpone further discussion to allow time for consultations.

In the afternoon, the EU proposed that the budget be submitted for consideration "and discussion" and that the informal intersessional consultations will facilitate "possible" agreement on the budget. Delegates agreed to language calling for a "detailed" budget that specifies the output of each programme for full consideration and discussion at SBI-6. Intersessional consultations will be held, if feasible, to facilitate possible agreement.

VOLUME OF DOCUMENTATION: Decision 17 from COP-2 called on Parties to limit requests for additional documentation and the volume of comments submitted. The Executive Secretary was also requested to submit further options for reducing the costs of documentation for meetings under the COP. The annotated agenda notes that the secretariat will not be able to propose options for reducing costs until after SBI-5, when necessary information and statistics will be available.

On Thursday, 27 February, the Executive Secretary distributed draft conclusions on documentation for discussion in an informal session that evening. On Friday, 28 February, delegates considered the draft conclusions in document FCCC/SBI/1997/L.1, which notes that the secretariat requires more time and will submit recommendations to SBI-6. The conclusions also request the Executive Secretary to explore the possibility that, when justified, each language version of the documentation may be distributed as it becomes available. CHINA requested an additional sentence referring to the importance of paper document distribution to developing countries, as many of them lack Internet connections. The text was adopted as amended.

LEGAL MATTERS

On Thursday, 27 February, the secretariat informed the SBI about the implementation of the Headquarters Agreement. COP-2,

in Decision 15 of COP-2, approved the Agreement, which will enter into force as soon as the German Parliament has adopted the required legislation. In December 1996, the Government of Germany issued an ordinance on the provisional application of the Agreement. The secretariat also informed the SBI on action taken by the Convention depositary. It was decided that the SBI will recommend to COP-3 to consider the request from the Czech Republic and the Slovak Republic to delete the name of Czechoslovakia from Annex I to the Convention and add the names of the Czech Republic and the Slovak Republic to Annex I (Part II, Section III of FCCC/CP/1996/15/Add.1, para.1).

On Friday, 28 February, delegates adopted the Chair's conclusions on these issues (FCCC/SBI/1997/L.1). The conclusions take note of the actions of the German government and recommend to the COP to take up the requests from the Czech and Slovak Republics when it reviews the lists of Annexes I and II to the Convention.

MATTERS ARISING FROM THE UNITED NATIONS GENERAL ASSEMBLY

On Wednesday, 26 February, the Chair noted that the input from the FCCC to the Special Session of the General Assembly, to be held in June 1997, must be addressed at this SBI session. He noted that a draft has been prepared (FCCC/SBI/1997/4) and an informal group chaired by Takao Shibata (Japan) will address the issue. KUWAIT noted that COP-2 took note of, "but did not adopt" the Geneva Ministerial Declaration and that a later reference to the Geneva Ministerial Declaration should be coupled with a reference to another statement adopted by those delegations that did not support the Declaration. The US urged the informal group to use agreed-upon references. On 27 February, Shibata informed the SBI that the informal group had been unable to meet because delegates were attending other meetings. He requested interested delegations to submit written comments.

On 28 February, Shibata presented the draft conclusions of the informal group. The conclusions note, *inter alia*: the linkages of the FCCC and the framework of Agenda 21; the second compilation of national communications; the work of the IPCC and its steps toward a Third Assessment Report; and the first steps to deal with rising emissions, such as the Geneva Declaration. It also states that the General Assembly may wish to focus on priority issues, such as how developing countries can acquire the levels of energy needed for development while avoiding emissions of greenhouse gases. CHINA said that the reference to avoiding greenhouse gas emissions was unacceptable because they occur naturally. He stated that the conclusions were too heavily directed at developing countries and depart from the Convention's spirit. Delegates agreed to convene another informal group to reconsider the conclusions.

In the evening, the revised conclusions were introduced, which state that the FCCC has received 165 instruments of ratification or accession, assuring almost universal membership of States. They also state that a second compilation and synthesis of national communications was submitted to COP-2, demonstrating that Annex I Parties need to take additional measures to achieve the aim of lowering emissions. In addition, the conclusions note the importance of the IPCC, whose Second Assessment Report is considered to be the most comprehensive and authoritative assessment available of scientific and technical information regarding global climate change. The conclusions also note first steps to address rising emissions, such as COP-1's agreement on the Berlin Mandate and COP-2's call for acceleration of negotiations of the text of a protocol or other legal instrument. The General Assembly Special Session may wish to encourage member States to agree on satisfactory results at COP-3. Also noted are the GEF's efforts to support developing country Parties.

The CENTRAL AFRICAN REPUBLIC proposed a reference to "human" capacity building. The text was adopted as amended.

Regarding action by the General Assembly at its 51st Session, the SBI took note of the action and requested the Executive Secretary to report on the review of administrative arrangement at its sixth session.

ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS

The Executive Secretary introduced the document "Arrangements for intergovernmental meetings" (FCCC/SBI/1997/5). He referred to arrangements at COP-3 in Kyoto and noted a Bureau recommendation that, due to the timing of COP-3 in late 1997, COP-4 could be held early in 1999. COP-4 will be held in Bonn unless a government offers to host it. Regarding the calendar of meetings for 1997-1999, he pointed out that meetings in 1998-1999 need to be scheduled soon to ensure availability of conference facilities in Bonn.

The G-77/CHINA, supported by CHINA and BOTSWANA, expressed concern about the late distribution of documents for the current session. He recalled that the recommendation to hold COP-4 in early 1999 was made known via document FCCC/1996/INF.4 during the December 1996 sessions. At the close of SBSTA-5, a statement was made on behalf of the G-77/CHINA expressing concern about this recommendation. In addition, according to Article 7.4, a COP meeting should take place every year unless otherwise decided by the COP. He requested COP-3 to review this issue. The Chair decided to leave this issue pending.

On Friday, 28 February, delegates considered the Chair's draft conclusions on COP-3, contained in FCCC/SBI/1997/L.1. The conclusions request the Executive Secretary to provide a note to SBI-6 containing a list of possible elements for the provisional agenda for COP-3 focused on the completion of work of the Berlin Mandate and its adoption. In the draft conclusions, the SBI decides that: COP-3 will be held from 1-10 December 1997; after addressing organizational matters, COP-3 will immediately allocate the completion of decisions on the Berlin Mandate process to a sessional committee of the whole, open to all delegations; and in order to finalize the political negotiations on the outcome of the Berlin Mandate, a ministerial segment will take place from 8-10 December, when the final text of a protocol or other legal instrument will be adopted.

CHINA, supported by the CENTRAL AFRICAN REPUBLIC, INDIA, BURKINA FASO, MALAYSIA and the G-77/CHINA, proposed stating that any new substantive proposals must be communicated in draft form to all Parties six months before the ministerial segment. He noted that prior to COP-2 there were rumors that a ministerial declaration was forthcoming, but it came as a surprise to his delegation. The US expressed concern on changing the existing language and noted that the SBI could not "tie the hands" of the COP. He noted that if a declaration should emerge from Kyoto it will be the decision of the COP.

The Chair, supported by the US, proposed a reference to keeping the arrangements for the conference under review by the SBI. CHINA amended his proposal to request communication from "six months" to "well in advance" of COP-3. He also stated that the refusal of some countries to support his proposal "left him wondering." MALAYSIA stated that he was caught in surprise at COP-2 and felt an "air of conspiracy." ARGENTINA reminded delegates that the SBI can provide recommendations to the COP but cannot decide what the COP will do. He also noted that the SBI could not preclude issues from consideration by the COP. The US, supported by GERMANY and the UK, proposed that the SBI should keep the arrangements of the conference under review and

recommends that any new, substantive proposals concerning these arrangements be communicated well in advance of the start of the conference. CHINA said this did not solve the problem of transparency and noted that "arrangements" and "proposals" are not the same thing. MALAYSIA proposed noting that all action be "in accordance with normal UN practice." Delegates debated the issue at length before agreeing to language noting that any new substantive proposals, including proposals affecting the purpose and organization of the ministerial segment, should be communicated to all Parties well in advance of the conference, in accordance with UN practice. As proposed by the US, the language was included as a sub-item under the chapeau on "organization of work of COP-3," rather than as a separate paragraph.

The SBI also adopted conclusions on the calendar of meetings for 1997-1998. The SBI decided to recommend the date and venue of COP-4 at SBI-6, after hearing potential offers to host the conference. It called on Parties to submit offers to host COP-4 by SBI-6. The SBI also took note of the calendar of meetings for 1997 and requested the secretariat to propose at SBI-6 a calendar of meetings for 1998-1999 based on holding two blocks of meetings of the Convention bodies each year, with each block comprising two weeks of meetings.

The Chair suspended the session in the evening on 28 February 1997. SBI will meet again during AGBM-6.

AD HOC GROUP ON ARTICLE 13

Chair Patrick Széll (UK) opened the fourth session of the *Ad Hoc* Group on Article 13 (AG13-4) on Tuesday, 25 February. He recalled that at its last session, AG13 had agreed that formal conclusions about a multilateral consultative process (MCP) were premature but emphasized that it was possible to distinguish several areas of convergence and divergence. Discussions at AG13-3 were organized around themes contained in an "elements" paper (characteristics, functions, institutional arrangements and procedures). Those elements would also serve as a basis for discussion at this session (Annex II to FCCC/AG13/1996/4). IRELAND (on behalf of the EU), UZBEKISTAN and SWITZERLAND also made submissions (FCCC/AG13/1997/Misc.1).

The Chair noted that ideas from AG13-3 were constructive and clear, but said that AG13 cannot continue on a "diet of general statements." The listed options need to be reduced and AG13 should move ahead. He noted that there were points of convergence, such as the agreement that an MCP was a system for seeking solutions to problems arising in the implementation of the FCCC and that its characteristics should be facilitative, cooperative, simple and transparent. The widest divergence pertained to whether an MCP should be advisory or supervisory. The answer will trigger several consequences for the characteristics, institutional arrangements and procedures of an MCP and would therefore facilitate determination of these issues.

Delegates began with general statements and questions. The Chair noted that in view of the time remaining before COP-3, AG13 could likely conclude its work no earlier than at COP-4 or later. The EU called for creation of a forum for consultations or a "help desk" rather than a place where governments stand accused of breaching their commitments.

CHINA warned against duplication of existing mechanisms and said that the FCCC should not copy the non-compliance procedure under the Montreal Protocol. UZBEKISTAN envisaged the MCP as a process that renders consultative services to Parties and called for a special group with wide geographic representation to address issues of law, economics, ecology and social issues. The group would be established by the COP, meet twice a year and make non-binding recommendations.

Delegates then considered the elements of an MCP and agreed to first focus on questions of an MCP's function. The EU, supported by SWITZERLAND, called for an advisory regime to assist implementation, which would have a broad competence but not encroach on other bodies. CHINA noted that an MCP should take action prior to, rather than following, implementation. It should enable and support Parties during the course of implementation. The US, supported by JAPAN, said that including scientific and technological expertise could lead to duplication of the SBSTA's work. JAPAN said that there is broad agreement on an advisory role. The Chair stated that delegates had expressed a preference for an advisory role. He noted that no delegation had called for a more "intrusive" regime.

The EU noted that an MCP will not have the functions of the SBI and SBSTA, but should not have reduced scope. It should draw on expertise from the SBSTA and SBI, and ensure that it has access to information and expertise. CHILE noted that Article 14 calls for settlement of disputes through negotiations or "any other peaceful means," and that an MCP could fill the latter role. The Chair asked whether this process should be part of the formal procedure for dispute settlements and recalled a number of statements that had envisaged an MCP as a mechanism to prevent disputes.

On Wednesday, 26 February, delegates resumed consideration of the Chair's elements paper. On characteristics, the element paper focused on defining an MCP: nature, objective, expertise, application, and evolution. The Chair noted general agreement among participants that an MCP's nature should be facilitative, cooperative, transparent, simple, non-confrontational and non-judicial. CHINA called for further definitions. She said "non-confrontational" means that the process is triggered upon Parties own request, the concerned Parties are fully participating in the process, and the decisions in the process are subject to consent.

Several countries, including the EU, CHILE and the RUSSIAN FEDERATION, said the MCP's objective should be to find solutions to problems of implementation, to provide assistance to Parties and to prevent disputes from arising. CHINA, supported by ITALY, the EU and FINLAND, said that promoting "implementation" was more appropriate than promoting "compliance" since an MCP's function should be advisory. On expertise, the EU, supported by CHILE, noted an MCP should address any questions that could arise in any discipline and members should have sufficient expertise to ask the right questions to experts outside the group. The US, supported by the EU, cautioned against excluding specific fields of expertise and called for the possibility to draw on expertise of other bodies such as the SBSTA and the SBI. CHILE, CHINA, the EU, SWITZERLAND and SLOVENIA supported a standing body with a stable and fixed basis.

On institutional arrangements, the Chair's elements paper focused on: establishment, nature, mandate, size and constitution. The Chair suggested a non-proliferation of institutions. To avoid greater bureaucracy, CHILE suggested establishing a small body where members would be selected for a specified time and that could meet concurrently with other subsidiary bodies. An MCP should also have a list of experts that could be consulted. IRAN spoke against creating a new institution, stressed its budgetary implications and noted the problem that additional meetings pose for developing countries. The EU and SWITZERLAND suggested a standing committee, which would report to the COP. It could consist of 10-15 experts nominated by the COP. The EU proposed to follow the principle of rotation.

CHINA, supported by the RUSSIAN FEDERATION and IRAN, stated that substance and functions of an MCP should be discussed before its form, and suggested that an MCP could be an

ad hoc committee. Concerning constitution, the Chair recognized general agreement that members of an MCP body or committee should be government representatives.

On procedures, the Chair's element paper addresses the body that would govern the process, issues to be taken up, result or outcome, frequency of deliberations, and establishment of the process. The EU stated that the process should be governed by the COP. SWITZERLAND and the EU cautioned that the COP should not be obliged to take a decision on every MCP item. CHINA preferred that the COP govern the process but that reports and recommendations are sent to the COP via the SBI. The EU said that issues could be taken up by Parties as well as by the secretariat or other bodies. CHINA cautioned that Article 13 states an MCP would only be available to Parties, "on their own request". On the outcome of an MCP, the EU favored recommendations rather than decisions. On the frequency of deliberations, the EU noted that meetings should be held at least once a year. The EU and CHINA said the COP should establish an MCP process. The Chair announced that he would convert the points into a draft text, drawing together all ideas presented

On 26 February, the Chair distributed a bracketed draft text on an MCP (AG13/26.02.1997). The proposal notes, *inter alia*, that the COP shall establish a multilateral consultative and/or *ad hoc* committee and that an MCP will provide the COP with advice on resolving questions with regard to: implementation of the Convention; assistance to Parties to promote the process of implementation of the Convention; promotion of understanding of the Convention; and prevention of disputes and/or development of solutions. The options regarding an MCP's functions note that it will include consideration of: any question relating to the performance by individual Parties in the implementation of the Convention; support; encouragement; and/or assistance.

The proposal noted that an MCP will be open-ended or consist of 10, 15 or 25 members, who are government representatives and experts in social, economic, legal, technical, scientific and technological and/or environmental fields. On the manner for submitting issues, the proposal notes that an MCP will receive, consider and report on: any submission made by one or more Parties; references made to it by the COP, SBI and SBSTA; or information provided by the secretariat regarding implementation of obligations by any Party.

In discussing this proposal, the EU, supported by SLOVENIA, proposed that an MCP could be a "standing" group. CHINA, the EU, ZIMBABWE, FRANCE and SWITZERLAND said the main objective should be to provide assistance to individual Parties rather than to the COP. The EU also proposed retaining reference to preventing disputes from arising and finding solutions. The US said delegates had agreed on the non-judicial nature of an MCP and "resolving questions with regard to implementation" seemed to contradict this point. She proposed that an MCP should "provide advice to Parties on facilitating and promoting implementation." The EU and EGYPT insisted on bracketing the US proposal.

On an MCP's functions, FRANCE wished to reserve the opportunity for the COP to entrust tasks to an MCP and said a five-member MCP could be feasible considering the likelihood of additional *ex officio* members. In response to concerns expressed

by MALAYSIA and IRAN, the Chair suggested that MCP meetings occur in conjunction with COP and subsidiary body meetings.

On Thursday, 27 February, the Chair presented the revised draft text for an MCP (AG13/27.02.1997) to be adopted as an annex to the report of the session. CHINA suggested a new paragraph stating that an MCP's function should be "to provide assistance to Parties in relation to difficulties they encounter in the course of implementation including: (1) clarification of questions and (2) assistance to the developing countries Parties in accordance with Article 12.7 (relating to technical and financial support)." The EU noted that the paragraphs on objective and on functions are overlapping and proposed a new paragraph on an MCP's mandate, which "repacked" the existing elements in a different format.

The US and ITALY expressed their concern about adding the Chinese proposal. The RUSSIAN FEDERATION opposed the Chinese proposal on functions because it substantially changes the previous work of AG13. The Chair described this session as only the beginning of the process and encouraged participants to be open for new and detailed approaches. He suggested that new proposals could be integrated in the text in square brackets and could be considered further at the next session. The EU agreed and welcomed the Chinese proposal. Participants agreed to integrate the Chinese and EU proposals into the draft text.

On Friday, 28 February, the Chair presented his draft conclusions stating that AG13-4 reiterates that the work of the group is conducted within the framework set by Article 13. The draft conclusions note that the compilation in Annex II is recorded without prejudice to any decision on the establishment of a multilateral consultative process and that the framework compilation for a multilateral consultative process reflects points raised as well as areas of convergence and divergence, and would form a basis for discussion by the group at its fifth session. The draft conclusions invite Parties to submit any proposals they might have on the compilation in Annex II, and request the secretariat to issue any proposals received by 1 June 1997. The framework compilation considers an MCP's establishment, objective, mandate, nature, size, expertise, constitution, deliberations, governance, how issues would be taken up, outcome and evolution. The Chair described the framework compilation as a very accurate basis for future discussion. AG13-4 adjourned on 28 February at 5:00 pm.

THINGS TO LOOK FOR TODAY

The sixth session of the *Ad Hoc* Group on the Berlin Mandate (AGBM-6) will be held from 3 - 7 March 1997 at the Stadthalle Bad Godesberg, in Bonn, Germany. The AGBM will focus on the preparation of a protocol or other legal instrument. In accordance with the conclusions of AGBM-5 (FCCC/AGBM/1996/11, para. 23 (b)), the main document for the session will be the framework compilation of proposals from Parties (FCCC/AGBM/1997/2).

The provisional agenda, as provided by the Executive Secretary, states that the main result of the session must be agreement on a negotiating text of the protocol or other legal instrument. The text must be circulated in all six official UN languages by 1 June 1997.