



Earth Negotiations Bulletin

A Reporting Service for Environment and Development Negotiations

Vol. 12 No. 57

Published by the International Institute for Sustainable Development

21 October 1997

HIGHLIGHTS FROM THE MEETINGS OF THE FCCC SUBSIDIARY BODIES 20 OCTOBER 1997

The seventh sessions of the Subsidiary Body for Implementation (SBI-7) and the Subsidiary Body for Scientific and Technical Advice (SBSTA-7) of the UN Framework Convention on Climate Change (FCCC) opened on 20 October 1997 in Bonn, Germany. Delegates to SBI-7 considered national communications from non-Annex I Parties and activities implemented jointly (AIJ). SBSTA-7 discussed AIJ, methodological issues, national communications from non-Annex I Parties and the roster of experts.

SUBSIDIARY BODY FOR IMPLEMENTATION

SBI Vice-Chair José Romero (Switzerland), on behalf of SBI Chair Mohamed Ould El Ghaouth (Mauritania), reminded delegates of the short time allocated for SBI negotiations at this session and urged them to conclude negotiations in a timely manner.

FCCC Executive Secretary Michael Zammit-Cutajar noted the need for support in developing initial national communications and strengthening national capacities. He noted that projects for national communications can "prime the pump" for future investments as much as pilot projects for lowering emissions. Regarding the FCCC core budget, he noted that a number of contributions were still unpaid and additional contributions to the trust fund for participation were needed.

Delegates accepted the Vice-Chair's proposal to establish a joint SBSTA/SBI drafting group on the financial mechanism, to be chaired by John Ashe (Antigua and Barbuda). A contact group on a consultation mechanism for NGOs may be established later.

The Secretariat summarized a progress report (FCCC/SBI/1997/INF.3) including an update on preparation of initial non-Annex I national communications. Nine Parties have reported no activities on communications, and no information is available from 15. The conclusions included recommendations for, *inter alia*: accelerated submissions; reference by Parties to COP guidelines; appropriate institutional mechanisms; GEF procedural streamlining; provision for reproduction and dissemination of reports; a coordinated strategy for the transfer and development of technologies; and regional workshops.

The Chair noted that Parties would also consider input from the GEF and the process for considering non-Annex I communications. On the latter, he invited the US and MALAYSIA to chair a reconvened informal meeting to consider, *inter alia*, submissions by the EU and Uzbekistan (FCCC/SBI/1997/MISC.8). The EU said that reviews of communications have built confidence and helped in developing second national communications. BRAZIL reported the conclusions of a recent workshop to share Latin Amer-

ican experiences in developing national communications. Participants there highlighted, *inter alia*, problems with developing methodologies and the need for financial support.

SENEGAL hosted an African regional workshop that brought together more than 100 participants. The US commended the Secretariat's progress report, but cautioned that consideration of some of its recommendations should follow submissions by a broader sample of non-Annex I countries. MEXICO announced plans for a regional workshop on preparation of national communications in Central America. JAPAN said it was willing to cooperate with developing countries preparing national communications and noted its recent contributions. ZIMBABWE called for assistance to the African region in making digital information available.

MALAYSIA encouraged the Secretariat to continue its role in coordinating regional activity and suggested that the COP provide guidance to the GEF. CANADA underlined the importance of capacity building, supported more expeditious financial provision by the GEF and noted the importance of an in-depth review of communications in the context of Article 4.1 commitments. JAMAICA supported a GEF-sponsored regional workshop for CARICOM countries in November. The DEMOCRATIC REPUBLIC OF CONGO announced receipt of funds for the preparation of its national communication, to be submitted by October 1998.

On activities implemented jointly (AIJ), the Vice Chair said Diego Malpede (Argentina) would chair a working group to prepare recommendations for both SBI and SBSTA. The US said delegates could recognize that the pilot phase is still underway but agree that Parties can take credit from AIJ toward post-2000 commitments, congruent with decisions on methodological issues. The issue is not whether, but how credit is taken. He suggested adopting uniform reporting procedures and work programmes on methodological issues, financing and additionality of financing. LUXEMBOURG, on behalf of the EU, said AIJ reporting needs further elaboration. Project baselines, scenarios and emissions reductions should be more detailed. CANADA noted progress in methodologies and benefits gained. She said the lack of incentives for private sector engagement and of methodology for transparency and consistency slowed some areas. She looked forward to a US draft decision, especially on credits and methodologies.

BRAZIL said given parallel negotiations on QELROs and associated methodological issues, the review must be done, but he will not support any COP-3 decision that prejudges methodology work necessary to determine emissions reductions. MALAYSIA said experience so far is not comprehensive enough to make an assessment of AIJ. Only after reporting, baselines and methodologies are addressed can delegates consider credits. CHINA said developing country participation, GHG abatement results and

This issue of the Earth Negotiations Bulletin <enb@iisd.org> is written and edited by Paola Bettelli <paobe@sprynet.com>, Chad Carpenter, LL.M. <chadc@iisd.org>, Peter Doran <PF.Doran@ulst.ac.uk> and Steve Wise <swise@igc.apc.org>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James Kimb Goree VI <kimo@iisd.org>. The sustaining donors of the Bulletin are the Netherlands Ministry for Development Cooperation, the Government of Canada and the United States of America (through USAID). Support for this edition was also provided by the UNFCCC Secretariat. General support for the Bulletin during 1997 is provided by the Department for International Development (DID) of the United Kingdom, the Ministry of Foreign Affairs of Denmark, the European Community (DG-XI), the German Ministry of Environment, Nature Conservation and Nuclear Safety, the Ministries of Environment and Foreign Affairs of Austria, the Ministry of Environment of Sweden, the Swiss Federal Office of the Environment, and UNDP. ENB can be contacted 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 ENB are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from ENB may be used in non-commercial publications only and only with appropriate academic citation. Electronic versions of the ENB are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca/linkages>.

investment in AIJ have been limited, so it is premature for COP-3 to make a decision based on "scanty" estimates and analysis. Partners should come forward with secure funding. SAUDI ARABIA said the issue of credits is at the heart of AIJ and should be ruled out for COP-3. ZIMBABWE noted only one project among 53 African governments and said it is premature to talk about trading or credits.

Regarding technology transfer, the Vice-Chair suggested establishing a contact group. The US said it would submit a draft decision requesting that the Secretariat continue disseminating information and expand the technology needs survey, that SBSTA examine government and private sector activities, and that Parties encourage market policies promoting trade and investment in climate-friendly technologies and improved reporting on technical needs and arrangements.

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNICAL ADVICE

Chair Tibor Faragó (Hungary) urged delegations to make progress on outstanding issues as this would be the last SBSTA session before COP-3. He proposed the establishment of informal contact groups on AIJ and technology transfer. He also invited delegations to focus on the methodological issues related to inventories by Annex I Parties to the Convention as contained in the annex to document FCCC/SBI/1997/19.

On methodological issues, LUXEMBOURG, on behalf of the EU, noted that the Secretariat had listed various issues that needed further study but indicated that the list might not be complete. He said other issues were likely to come up in the near future, based on new Annex I national communications and experiences gained during in-depth reviews. He stated that FCCC guidelines for Annex I national communications would need regular maintenance and improvement if necessary. INDIA raised points on the types of gases that ought to be included in inventories and criteria to ensure transparency and comparability.

The US called for recommendations on how to use the IPCC methods and noted that Global Warming Potentials (GWPs), although not perfect, may be a suitable method for drawing comparisons. He asked the Secretariat to prepare a list of issues that could be addressed by SBSTA in preparing rules. MALAYSIA questioned the scientific basis for using GWPs and said they do not provide clear GHG inventories. The MARSHALL ISLANDS called for the inclusion of developing country experts on the review teams. The Chair asked the Secretariat to prepare a text for consideration by the joint SBI/SBSTA contact group on this issue.

On national communications from non-Annex I Parties, the Chair noted that discussion on the provision of support to developing country Parties had taken place at the SBI and any conclusions would be reported to SBSTA.

On AIJ, the Secretariat introduced a synthesis report on the AIJ pilot phase (FCCC/SBSTA/1997/12, Add.1, Corr. 1, and Corr.2). He said there had been 67 AIJ projects during the pilot phase and further project offers were contained in document FCCC/SBSTA/1997/Inf.3.

The G-77/CHINA noted the limited spread of projects and suggested that COP-3 would be unable to reach any conclusions on the exercise. He supported a joint contact group. The EU called for clearer guidance regarding the definition of a number of information items required during the AIJ pilot phase. Among these items were: the compatibility with and supportiveness of national economic development, socio-economic and environmental priorities; emissions reduction calculations; project lifetime; uncertainty in establishing estimates and measurements; baseline definition; and estimating mitigation costs. He also called for new project types. ZIMBABWE called for a good distribution of AIJ projects

by sector, country and region and supported the view that current information could not provide the basis for decisions at COP-3. INDIA noted the absence of precise information on the amount of GHG reductions and costs and agreed that current data were insufficient to reach a judgment on the pilot phase. MALAYSIA expressed concern that problems still prevail in terms of assessing the pilot phase and underlined the importance of methodological issues. UZBEKISTAN called for the inclusion of a methodological item on determining socio-economic benefits and noted that there were almost no AIJ projects in his region. SRI LANKA noted the poor response to his country's attempts to find a partner in a developed country for AIJ, despite the interest of several parties in his country. VENEZUELA supported the idea of a working group to discuss the issue.

The US said the COP should endorse the progress made on AIJ. He said delegates should bear in mind that many projects have yet to receive host country approval, even those meeting all criteria and not seeking credit. He urged SBSTA to address the complexity of the guidelines, and said it should prioritize requirements rather than wait until all complexities are resolved. MAURITIUS said AIJ must be given the chance to expand to more countries and sectors.

SWITZERLAND supported the development of a priority work programme that could be endorsed by the COP. She noted that the lack of capacity in the potential host countries creates a barrier for AIJ's progress. CENTRAL AFRICAN REPUBLIC supported deferring decisions on AIJ to later meetings when projects are more equitably distributed. UNEP/IEA reported on a recent AIJ workshop held in Paris, in which participants noted, *inter alia*, that AIJ should not be seen only within the context of GHG abatement, but also as part of global development.

BHUTAN said despite its very low capacity, it hopes delegates keep an open mind regarding methodological issues. BURKINA FASO said COP-3 should extend the process. NEPAL said AIJ could be a small but indispensable tool for countries' national programmes and technical training. The RUSSIAN FEDERATION said COP-3 could take the necessary decisions on issues such as new forms of AIJ. COSTA RICA said the possibility of credits would bring a desirable number and type of new projects.

The Secretariat introduced the document, FCCC/SBSTA/1997/11, on the experience with the roster of experts. Delegates will discuss the issue at SBSTA's next meeting.

PRESS CONFERENCE

At a press conference held in the afternoon, FCCC Executive Secretary Michael Zammit-Cutajar underscored the crucial role of AGBM-8 in the success of the Kyoto meeting. He expected that the "Chairman's text" produced by AGBM Chair Raúl Estrada-Oyuela would serve as a basis for negotiating an instrument containing legally binding targets and timetables for emissions reductions. He pointed out that the text intended to cover all the proposals currently on the table, including a recent proposal by Japan.

The Executive Secretary noted that the Japanese proposal was based on a differentiated approach and attempted to bring on board as many Parties as possible. He expressed his hope that the US would table a proposal at this session. Responding to a question on the implications of failure at Kyoto, the Secretary said that lack of progress would hinder attempts to address climate change in the future. He defined failure as the inability of developed countries to take the lead in addressing global warming.

THINGS TO LOOK FOR TODAY

SBI: SBI will meet at 10:00 am in the Grosser Saal.

SBSTA: SBSTA will meet at 3:00 pm in the Grosser Saal.