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HIGHLIGHTS FROM THE MEETINGS OF THE FCCC SUBSIDIARY BODIES 29 OCTOBER 1997

Delegates to the eighth session of the *Ad Hoc* Group on the Berlin Mandate (AGBM-8) met in non-group sessions on institutions and mechanisms and quantified emissions limitation and reduction objectives (QELROs). The QELROs non-group also met in the evening. The seventh session of the Subsidiary Body for Implementation (SBI-7) held its final meeting and considered outstanding agenda items and the report of the session. An NGO briefing was held in the morning.

NGO BRIEFING

At the morning briefing convened by the AGBM Chair Raúl Estrada-Oyuela, industry and environmental NGOs were invited to prepare comments on a number of contentious issues.

The Chair of the non-group on policies and measures, Bakary Kante (Senegal), reported that consensus had been reached on cooperation among Parties, with some conditions. There has been a clear statement of views on the issue of coordinated and mandatory policies and measures but it will be difficult, for the time being, to reach consensus. A number of "very nice" formulations have been placed in brackets. No consensus emerged on the issue of compensation, so this will also go forward to the AGBM Chair unresolved.

Chair Estrada invited industry NGOs to consider the question of whether the Parties should try to agree mandatory policies and measures, with all countries acting on the same general policies coordinated at intergovernmental level, and convey their views to the AGBM plenary Thursday morning. An industry spokesman concurred and indicated that business favors implementation at country-level to take account of national economic and energy profiles.

The Chair of the non-group on FCCC Article 4.1 reported that a text has been adopted after a constructive round of meetings that cleared a reasonable amount of text. Two "hard core" issues will demand the attention of the AGBM Chair. These are: general commitments applicable to all Parties to achieve mitigation and adaptation measures; and transfer of environmentally sound technology. Chair Estrada invited developing country NGOs to present short comments on these issues. The non-group Chair welcomed Parties' readiness to resolve the issue of means of implementation (Article 12) although some technical items remain in brackets.

The Chair of the non-group on institutions and mechanisms, Takao Shibata (Japan), was invited to comment on the legal status of the proposed Attachment 1 to register Parties' commitments. He reported a divergence of views, with many delegations concerned about the amendment procedure that would apply to the Attachment. He indicated that the outcome of discussions will be linked to the nature of the commitments.

Bo Kjellén (Sweden) reported on the QELROs-2 non-group. There has been near total agreement on reporting and review (Article 8). On voluntary commitments (Article 10), he reported that the G-77 has taken a negative line and Norway is chairing a working group. On review of adequacy of commitments (Article 11), Chair Kjellén said he will be conducting consultations on a bilateral basis and circulating his own draft text. A contact group involving the EU, the US, and others is considering emissions trading, and consultations are also planned on joint implementation. Chair Estrada announced that the AGBM Plenary will convene Thursday to begin the process of finishing the AGBM's work, followed by closed meetings.

SUBSIDIARY BODY FOR IMPLEMENTATION

In the final SBI session, delegates adopted draft conclusions, draft decisions for adoption at COP-3 and the report of the session. Under the draft conclusions on Annex I communications (FCCC/SBI/1997/L.7), SBI: requested the Secretariat to evaluate the feasibility of compiling available supplementary data from authoritative sources on GHG emissions for the purpose of comparison with national submissions, reporting to SBI-9; expressed its intent to perform an interim assessment of the in-depth reviews of second national communications for SBI-9; and noted with regret that insufficient responses from Annex I Parties did not allow presentation of the schedule of in-depth reviews at SBI-7.

Under the draft decision, COP-3 would call upon Annex I Parties to follow the revised FCCC guidelines and request the Secretariat to prepare a full compilation of second national communications and publish national GHG inventories. COP-3 would decide that in-depth reviews of second national communications will include visits by review teams and executive summaries of the communications will be published as official FCCC documents.

On non-Annex I communications, delegates adopted draft conclusions and a draft decision produced by a contact group chaired by the US and Malaysia (FCCC/SBI/1997/L.8). The draft SBI conclusions request the Secretariat to organize a workshop on a process for considering initial national communications from non-Annex I Parties. The Secretariat is requested to submit its observations on the national communications submitted by non-Annex I Parties by 30 March 1998. SBI also requested the Secretariat to provide a compilation of comments by Parties at SBI-8.

The draft decision was compiled from three proposals. It contains bracketed language stating that the process of consideration shall assist the Secretariat's determination of the needs of non-Annex I Parties [for the preparation of national communications] or [related to implementation of commitments, in particular those associated with proposed projects and response measures]. On the type of review, the text states that the communications

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@jgc.apc.org>. 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 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 and the Canadian Pulp and Paper Association. 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 ENB are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca/linkages>.

should be subject to an [in depth][technical][assessment] or [review]. Regarding the Secretariat's future work, the decision contains bracketed text on compilation and synthesis [annually], as well as on proposed workshops and the selection of expert review teams. All references to work that the COP would request SBI and SBSTA to perform on national communications are bracketed.

On the financial mechanism, delegates adopted two draft decisions for COP-3 (FCCC/SBI/1997/L.9) produced by a contact group chaired by Antigua and Barbuda. Under the first decision, the COP would decide to continue the review process through SBI, in accordance with the criteria established in the guidelines adopted by SBI-5. Under the second decision, the COP would note that the GEF Council approved the annex to the Memorandum of Understanding between the COP and the GEF Council and decide to approve the annex, thereby bringing it into force.

Delegates also adopted draft COP decisions on activities implemented jointly (AIJ) and the development and transfer of technology. The decisions, produced by a joint SBSTA/SBI contact group, were adopted by SBSTA on 28 October. Delegates also adopted draft COP decisions on the financial performance of the Convention in the biennium 1996-1997 (FCCC/SBI/1997/L.11) and on COP-4 (FCCC/SBI/1997/L.10), which would be held Bonn in November 1998.

SBI Rapporteur Patricia Iturregui (Peru) presented the draft report of the meeting (FCCC/SBI/1997/L.6 and CRP.9). On proposed amendments to the Convention, the SBI decided to recommend to the COP that any proposals be taken up in the order they were submitted, if appropriate. SAUDI ARABIA proposed deleting "if appropriate," but the EU supported its retention. KUWAIT proposed that all amendments be taken as "a package." Delegates agreed to remove the phrase in question. The report was adopted as amended.

In closing the session, Chair Mahmoud Ould El Ghaouth (Mauritania) noted that some observers think SBI has no problems and simply "rubber stamps" decisions. He said this characterization is unfair, given the amount of time and effort spent in consultations. He said his successor should keep SBI free of debate, and continue serve as the FCCC's operational arm.

NON-GROUP ON QELROS

The non-group discussed a new paper by Chair Luiz Gylvan Meira Filho (Brazil) containing proposals for articles on QELROs, national systems for the estimation of anthropogenic emissions by sources and removals by sinks of GHGs, methodologies, global warming potentials (GWPs), an annex listing gases and an attachment under which emission commitments and base year/periods would appear.

On QELROs, the paper includes two alternatives on how Parties/Party's GHG emissions shall "not exceed" their/its commitments, expressed either in "terms of budgets" or "emission budgets." The previous negotiating text by the AGBM Chair spoke of commitments in terms of reducing emissions. The Chair noted the first alternative was broader and would encompass removal of GHGs by sinks. A regional group indicated its preference for the first alternative. A group of countries requested that a proposal it had made be included as a third alternative. Three countries stated their preference for the second alternative. Discussion continued on the net or aggregate approach and whether commitments would be met jointly or individually.

Considering that no progress was being made regarding specific targets and dates, the Chair proposed either listing them in a table or attempting to draft a paragraph of a general nature, with gaps on specific QELROs to be filled in at a later stage. A contact group was created to deal with this task.

There was no agreement on whether commitments should be listed in an annex or should appear within the Protocol. On the need for Annex I Parties to prove "demonstrable progress" in the achievement of their commitments by the year 2005, a delegation indicated that the term was unclear and would be better fitted into another part of the Protocol not dealing with QELROs.

In the final QELROs session held in the evening, a group of countries proposed the deletion of articles on emissions trading, activities implemented jointly and voluntary commitments. Delegates spent a considerable portion of the session debating an article on "adequacy of implementation" in the non-group Chair's revised text. One country proposed returning to "adequacy of commitments," as in the original text. Another preferred that adequacy of commitments be included in the article on QELROs. There will be further consultations on provisions related to countries with economies in transition. One participant noted there was no "real" discussion on emissions banking and borrowing.

NON-GROUP ON INSTITUTIONS AND MECHANISMS

The group discussed legal aspects of the "bubble" concept for a shared emissions target for a group of countries. A regional group presented its text, noting that the shared target was a matter of compliance. Other delegations objected. In an article defining the role of the COP and Meeting of Parties (MOP), a group of countries proposed a reference to an FCCC Article 7 provision that the COP can review "any related instrument." The group offered to produce an alternative text. Other delegations objected, preferring to work from the revised non-group Chair's text. The non-group planned an informal session Thursday to review the article.

A group of countries requested restoration of bracketed text requiring protocol parties to provide additional funding in an article on Secretariat services to a protocol. There was general agreement that an article on subsidiary bodies should be aligned with the text on the COP and MOP, but no final agreement was possible until the other article is finalized.

A contact group presented language that the MOP shall "approve appropriate and effective" non-compliance procedures and mechanisms, but a number of delegations objected. A group of countries said the non-compliance text was linked to the decision on establishing a clean development fund.

In a paragraph on amendments to a protocol, a delegation proposed a footnote that amendments could only address commitments under FCCC articles 4.2 (a), (b) and (d), and another delegation suggested that approval of amendments should be by double 2/3 majority. Delegates discussed possible meanings of annexes, but a group of countries objected to use of annexes and to attachments in a separate article on adding non-Annex I Parties to the protocol.

IN THE CORRIDORS

Norway chaired a contact group on Article 10, on commitments undertaken voluntarily. Opponents of the Article continued to seek its deletion from the AGBM's negotiating text. Those in favor argued that the content represents an essential element of a protocol and a number of amendments were introduced. These were designed to clarify the requirements for consideration of requests to be bound by the Article and a mechanism to oversee policies and measures for those countries undertaking commitments voluntarily. A number of developing countries continued to state their opposition. A contact group involving the US and the EU met to discuss their positions on emissions trading (Article 5). The fate of this issue together with joint implementation and credits continues to be linked to the outcome of negotiations on QELROs.

THINGS TO LOOK FOR TODAY

AGBM: AGBM is expected to meet in Plenary at 10:00 am. Informal sessions are expected throughout the day.