



HIGHLIGHTS FROM THE UNFCCC FOURTH CONFERENCE OF THE PARTIES 5 NOVEMBER 1998

Delegates considered preparations for the first session of the Conference of Parties serving as the Meeting of the Parties to the Protocol (COP/MOP-1) in a joint plenary session. The Subsidiary Body for Scientific and Technological Advice (SBSTA) discussed research and systematic observation and other matters. In the afternoon and evening, contact groups discussed non-Annex I communications, technology transfer, FCCC Articles 4.8 and 4.9 (adverse effects on developing countries), the financial mechanism and Articles 4.2(a) and (b) (review of commitments).

JOINT SBSTA/SBI PLENARY

The SBI and SBSTA discussed preparations for the first session of the Conference of Parties serving as the Meeting of the Parties to the Protocol (COP/MOP-1). The Chairs introduced their draft decision (FCCC/CP/1998/3) and invited comment. SAUDI ARABIA said preparations were needed for all Protocol articles, not just the flexibility mechanisms. He stressed that Protocol Articles 3.14 and 2.3 (minimization of adverse effects on developing countries) had not been adequately addressed. He suggested convening a separate contact group, discussing the issues in the contact group on FCCC Articles 4.8 and 4.9 or in the one on flexibility mechanisms. VENEZUELA, BANGLADESH, UNITED ARAB EMIRATES, IRAN, SYRIA, KUWAIT, LEBANON, NIGERIA, GAMBIA, ECUADOR, ALGERIA, MOROCCO and INDONESIA supported SAUDI ARABIA.

SWITZERLAND supported the draft decision but suggested possible amendments to the timeframe and scope of work. The US proposed amending the decision to reflect the differing legal status of the Convention and the Protocol. The EU, supported by MONACO, noted the need to specify ways to facilitate cooperation and stressed coordination of IPCC and FCCC activities through a joint working group. He proposed establishing a compliance mechanism and scheduling a meeting for early 1999. JAPAN noted the need for time for consultation and difficulties in combining ongoing work under the FCCC and the Protocol. He opposed deadlines for setting compliance

procedures until the mechanisms were elaborated. CANADA called for a balance between the Convention and the Protocol and said Protocol issues need attention so that Parties will ratify it.

The Chair said Protocol Articles 2.3 and 3.14 were within the scope of the contact group's work and the group would determine its own agenda. KUWAIT, NIGERIA and SAUDI ARABIA sought a clear mandate for the contact group to consider Articles 2.3 and 3.14. The US, JAPAN and AUSTRALIA said decision 3/CP.3, which specified the mandate of the contact group, did not require specific consideration of Protocol Articles 2.3 and 3.14. The EU said the issue merited discussion but it was unnecessary to highlight specific articles.

The Chair said no separate contact groups would be established. SAUDI ARABIA called for a work plan and timeline on Article 3.14 for COP/MOP 1, and said that progress on Article 3.14 should follow an approach similar to Protocol Articles 6, 12 and 17 (flexibility mechanisms). The Chair indicated that no work plan or timetable for any of the articles in question would be developed, but these items will be explored because they are linked. Espen Rønneberg (Marshall Islands) will consult on preparatory issues to COP/MOP-1.

The discussion on research and systematic observation was continued from the previous day (FCCC/CP/1998/7 and FCCC/CP/1998/MISC.2). Parties indicated the value of the GCOS Report and the significance of its work. As a result, Parties called for expansion of research and systematic observation systems on developing countries and issues that were relevant to them to combat the deterioration of these systems. MAURITIUS, TANZANIA and SAUDI ARABIA called on the subsidiary bodies to instruct the GEF to provide funding for research and systematic observations in developing countries.

Chair Chow explained that the methodological issues relating to Annex I national communications will be discussed at an expert workshop to be held in December by the Secretariat (FCCC/SBSTA/1998/7, FCCC/SBSTA/1998/8 FCCC/SBSTA/1998/Misc.6 and ADD.1). The Secretariat provided a background to these issues, explained work conducted and previous meetings held, and described the plan for development of appropriate guidelines. The conclusions of the workshop will be discussed in SBSTA-10. John Christensen (UNEP)

This issue of the *Earth Negotiations Bulletin* © <enb@iisd.org> is written and edited by Chad Carpenter LL.M. <chadc@iisd.org>, Angela Churie <churie@l.kth.se>, Victoria Kellett <vkellett@iisd.ca>, Greg Picker <gregpicker@hotmail.com>, Lavanya Rajamani LL.M. <lrajamani@hotmail.com>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James "Kimo" Goree VI <kimo@iisd.org>. The WWW Content Editor is Peter Doran <pfedoran@ecology.u-net.com> and WWW design by Andrei Henry <ahenry@iisd.ca>. Digital photos by Leila Mead <leila@interport.net>. Digital engineering by David Fernau <david@virtualstockholm.net> and Chris Spence <spencechris@hotmail.com>. Logistics by Molly Rosenman <mrosenman@iisd.ca>. French translation by Mongi Gadhoom <Mongi.Gadhoom@enb.intl.tn>. The Sustaining Donors of the *Bulletin* are the Netherlands Ministry for Development Cooperation, the Government of Canada (through CIDA) and the United States (through USAID). General support for the *Bulletin* during 1998 is provided by the United Kingdom Department for International Development (DFID), the German Federal Ministry of Environment (BMU), the Danish Ministry of Foreign Affairs, the Swiss Office for Environment, Forests and Landscape, the European Community (DG-XI), the Ministries of Environment and Foreign Affairs of Austria, the Ministries of Foreign Affairs and Environment of Finland, the Ministries of Foreign Affairs and Environment of Norway, the United Nations Development Programme (UNDP), the Global Environment Facility (GEF) and the Ministry for the Environment in Iceland. Specific support for ENB coverage of COP-4 is provided by Germany's GTZ and the UNFCCC Secretariat. The *Bulletin* can be contacted in Buenos Aires at (15) 170-7613, by e-mail at <enb@iisd.org> and fax: +1-212-644-0206. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada. The opinions expressed in the *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 non-commercial publications only and only with appropriate academic citation. Electronic versions of the *Bulletin* sent to e-mail distribution lists <http://iisd.ca/enb/email.asp> and full multimedia coverage of COP-4 can be found on the Linkages WWW server at <http://www.iisd.ca/climate/ba/>.



provided a background to an international collaborative report on methodological issues. The US called for the resolution of issues and expected to use them to develop guidelines and national measurement systems that could be ratified by COP-6. The US proposed that the December workshop consider methodological, reporting, review and assessment issues. NORWAY sought continual re-evaluation of inventory data including base years as methodologies improve. Chairman Chow proposed that he prepare a draft decision for consideration by SBSTA.

With SWITZERLAND, the EU recognized that there is a link between the Montreal and Kyoto Protocols. He requested the subsidiary bodies to provide a list of available technologies to limit and reduce emissions of HFCs and PFCs. The US, with AUSTRALIA, said there should be coordination between international environmental agreements, but the process required careful consideration given the possible implication on industry. He proposed that SBSTA consider the impact of the phase out of substances covered under the Montreal Protocol and asked that they consult with that body. Chairman Chow proposed that he hold consultations on this matter.

CONTACT GROUPS

The contact group on the implementation of Article 4(8) and (9) (adverse effects on developing countries), chaired by Bo Kjellen (Sweden) and Mohammad Reza Salamat (Iran) met to discuss a non-paper prepared by the Chairs. The G-77/CHINA suggested requesting the Annex I Parties to include information on possible impacts in their national communications. Discussion revolved around *inter alia*: the need for information on the adverse effects of climate change and the impacts of response measures; the nature of information needed; the party responsible for providing the information; and the right forum to present the information. SAUDI ARABIA, LIBYA and other developing countries stressed that information be provided by Parties that had capacity and resources. The US, with JAPAN, CANADA and others, objected to the proposal, as it was impractical if not impossible to assess impacts outside their borders. The Chairs took the views of Parties under advisement.

The contact group on the financial mechanism, chaired by John Ashe (Antigua and Barbuda) and Dan Reifsnyder (US), met briefly. The contact group focused on procedural matters that would enable a decision to be reached. The G-77/CHINA, after considering comments to their initial proposal presented in the previous meeting, outlined two new proposals on the substantive issues, namely: the status of and guidance to the Global Environmental Facility. These documents will be considered in a series of contact group meetings over the next few days.

As of 9:00 pm, the contact group considering the review of Convention Article 4.2 (a) and (b), chaired by Jennifer Irish (Canada) and Margaret Mukahanana (Zimbabwe), was still meeting. The negotiations remained focused on establishing the approach to preparing a draft statement which, according to Article 4.2 (d) of the Convention, needs to be reached by 31 December 1998. Developing country Parties insisted that a draft decision provided by the G-77/CHINA provide the basis for the group's deliberation. Other countries stated that a document, which compiled a range of submissions to the Secretariat following the June subsidiary body meetings, should serve as the core text for discussions.

The Contact group on technology discussed technology transfer issues and a draft decision for the COP. Three draft decisions proposed by the US, G-77/China and the EU (FCCC/CP/1998/MISC.5/Add.3) were circulated. The US said communications between Parties were

hindered by the differing conceptual understandings of the issues. He said that technology transfer should be based on country specific needs and proposed that reference be made to successful programmes. He supported the Secretariat's proposal for a consultative process that would facilitate dialogue between Parties. The G-77/China proposal focused on identifying means of linking the issues and providing an interface between the providers of technology and the recipients. It proposed a technology transfer mechanism (TTM) "to assist developing country Parties to obtain their needed environmentally sound technologies and know-how conducive to addressing climate change on non-commercial and preferential terms and thus contribute to the ultimate objective of the convention." There was consensus on the capacity building section of the G-77/China proposal, which called for efforts to enhance endogenous capacities and provide enabling environments.

The US opposed the reference to "non-commercial, preferential terms" citing its rejection when the Convention was being negotiated in favor of the market which was understood as the best way to proceed. SIERRA LEONE said the failure of the market approach to technology transfer was the reason to deliberate on how to proceed. The EU supported AUSTRALIA in proposing a clearinghouse mechanism similar to the one under the Convention on Biodiversity. He opposed the creation of a new financial mechanism. The delegates debated, *inter alia*: the necessity, possible form and functions of the TTM; issues relating to the transfer of public domain technology; the features of a consultative process; and the role of dialogue between Parties.

The Chair noted the emerging consensus on: the need for progress; the terms outlined in the capacity building section of the G-77/China proposal; and the need for dialogue consultations and information exchange. She noted that there was a convergence between aspects of the Parties' positions, although an agreement on terminology was needed. She said there was disagreement on whether to have a "mechanism/process/system/facility," its forms and functions, and the elements for immediate action. She called upon the delegates to consider the issues and resume discussions on 6 November.

IN THE CORRIDORS

Official negotiations at COP-4 have mellowed considerably since Monday's confrontational but cathartic exchanges. Some observers suggest, however, that politically sensitive talks are underway behind the scenes. One delegate noted that technology transfer threatens to become a linchpin issue for these meetings. He expressed concern that some developed countries have underestimated the degree of significance the G-77/China places on the issue, perhaps to the point of halting negotiations unless the COP takes a decision. Some observers suggested that the consultations by the host Party have been initiated and may continue over the weekend.

THINGS TO LOOK FOR TODAY

CONTACT GROUPS: Contact groups will be held in the morning. Consult the daily programme for room and time.

JOINT SBI/SBSTA PLENARY: The joint plenary will meet at 1:00 pm in Plenary I.