



## HIGHLIGHTS FROM THE FOURTH UNFCCC CONFERENCE OF THE PARTIES 10 NOVEMBER 1998

Draft decisions and conclusions were considered by the Subsidiary Body for Scientific and Technological Advice (SBSTA), the Subsidiary Body for Implementation (SBI) and a joint SBSTA/SBI contact group and plenary. Delegates could not reach agreement and a number of decisions will be forwarded to the COP plenary with brackets. The joint session concluded at 4:10 am.

### SBSTA

Under the draft conclusions on impacts of single projects on emissions in the commitment period, (FCCC/SBSTA/1998/CRP.9; FCCC/SBSTA/1998/CRP.10; FCCC/SBSTA/1998/MISC.11 and Add.1), SBSTA would further consider the issue at its tenth session. Supporting the draft decision, AOSIS cautioned against granting exemptions prior to the Protocol's entry into force and said Parties should explore other options. ICELAND stressed that only projects with demonstrable global benefit would fall under the draft decision, if they could not be accommodated within the Party's assigned amount. On the issue of precedence, he said other cases should be valued on their own merits. The draft conclusions and decisions were adopted.

The draft conclusions (FCCC/SBSTA/1998/CRP.10) on methodological issues noted the preparations of a workshop to be held from 9–11 December to resolve the identified methodological issues on GHG inventories. It requested the Secretariat to, *inter alia*, prepare a report on the revised guidelines for Annex I communications, particularly on the GHG inventory section, and consult with the IPCC on a comprehensive joint plan for the inventory programme. The conclusions were adopted with some textual modifications.

SBSTA adopted its draft report for the ninth session (FCCC/SBSTA/1998/L.8). The final report will include the RUSSIAN FEDERATION's objection to procedural steps embodied in the recommendation on the relationship between the Montreal Protocol and the FCCC (FCCC/SBSTA/1998/CRP.8).

The draft conclusions on technology transfer (FCCC/SBSTA/1998/CRP.11) requested the SBSTA Chair to establish a consultative process, constituting regional workshops and meetings to implement FCCC Article 4.5 (technology transfer). Parties are invited to provide submissions to the Secretariat by 15 March 1999 in response to the issues listed in the Annex to the decision.

Delegates adopted most of the text unchanged, modifying the preamble to reflect the role of the private sector in some countries. A paragraph requesting SBSTA to establish a consultative process to consider the issues listed in the Annex engendered debate. The G-77/CHINA favored retaining reference to a technology transfer mechanism and considering the paragraph along with a bracketed reference in the Annex, which required consideration of appropriate mechanisms for technology transfer with the UNFCCC. The PHILIPPINES suggested a body was needed to operationalize the process, adding that experts involved in the consultative process should be from the FCCC roster of experts. The US, with the EU, said the aim of the consultative process should be "meaningful and effective action." The G-77/CHINA favored "technology transfer mechanism," but indicated willingness to accept "meaningful and effective action" if brackets were removed from the Annex.

The Chair closed the formal meeting and began informal discussions. The EU said the Annex was not a negotiated text and supported the US proposal to leave the debate to the high-level segment, as it related to other issues under negotiation. The Chair proposed compromise wording. After some debate, the Chair invited the EU, the US and the G-77/China to discuss the issue informally.

SBSTA reconvened at approximately 12:30 am. Chair Chow reported that participants in the afternoon's consultations had agreed to let the Chair make a proposal. He proposed the following: "to achieve agreement on a framework for meaningful and effective actions." The reference to "technology transfer mechanism" would be deleted. The text would also have SBSTA draw from the "roster of experts." A bracketed reference in the Annex would ask whether existing multilateral mechanisms were sufficient.

The Chair attempted to accept the text, but the US objected. CHINA expressed regret that implementation of this FCCC commitment was being delayed once again. SBSTA accepted the text, and the Chair said the record would note the US objection. The US, supported by JAPAN, said the action was inappropriate and a statement in the record was insufficient. He said the record should indicate that the decision was accepted in the face of objection. He will raise the issue in the COP plenary.

### SBI

In describing the results of the contact group on FCCC Articles 4.8 and 4.9 (adverse effects), Co-Chair Bo Kjellen (Sweden) said the text reflects the objectives and there is general agreement on outstanding



issues. The two bracketed paragraphs in the preamble reflected the lack of time for full negotiation. The G-77/CHINA said there were compromises even in the unbracketed text. He said the group would accept the document, including the brackets, to preserve momentum. The US, with the EU, said the impression of general agreement was misleading. He said the contact group never discussed this text and there was no agreement on the work plan. SAUDI ARABIA stated there was no consensus and suggested that if the whole text is bracketed, then all texts should be bracketed.

On administrative and financial matters, the contact group Chair reported that no agreement had been reached on the calendar of meetings. The US highlighted concerns regarding dates in the draft decision. The Executive Secretary reported that since document FCCC/SBI/1998/INF.6 was distributed, additional financial contributions had been received from several Parties. MAURITANIA objected to changes in the text proposed by the Chair. The text was adopted with the exclusion of the calendar of meetings.

The Co-Chairs of the contact group on national communications from Annex I Parties indicated that consensus was reached. The G-77/CHINA proposed bracketing a paragraph in the Annex that notes many Annex I Parties will not reduce GHGs to 1990 levels. They said this issue became linked to discussion on FCCC Article 4.2 (a) and (b) (adequacy of commitments). MAURITANIA asked the Chair not to reopen debate on an agreed decision. The text was accepted with brackets.

On initial national communications from non-Annex I Parties, contact group Co-Chair Paul Maclons (South Africa) reported on the draft decision. The EU bracketed a paragraph regarding requests to the Secretariat. The G-77/CHINA bracketed the entire text. CHINA and SAUDI ARABIA said the Chair should not allow further negotiation on the text. After lengthy debate, the Chair called on delegates to respect the rules and said the entire text would be bracketed for consideration by the COP Plenary.

On the second review of adequacy of FCCC Article 4.2 (a) and (b), contact group Co-Chair Jennifer Irish (Canada) reported that the group agreed the commitments were inadequate, but did not agree on reasons nor on actions required. She presented a recommendation that the Chair conduct further consultations. Co-Chair Margaret Mukahanana (Zimbabwe) said the difficulty on reaching a consensus was based on different interpretations of adequacy of commitments. The Chair asked delegates to forward the five draft decisions to the COP Plenary.

Co-Chair John Ashe (Antigua and Barbuda) presented the draft decision on the financial mechanism. He noted that there were no brackets in the text, but one group had indicated its dissent. The EU bracketed paragraphs on GEF funding for implementing adaptation responses and meeting full agreed costs. The US bracketed language on international centers. The G-77/CHINA bracketed the entire text. The text was accepted with brackets. SBI then adopted the draft report of its ninth session (FCCC/SBSTA/1998/L.8)

### **JOINT CONTACT GROUP ON MECHANISMS**

The contact group on flexibility mechanisms considered the initial work programme on Protocol mechanisms. In addition to the G-77/China proposal submitted earlier, draft work programmes were submitted by AUSTRALIA (on behalf of CANADA, ICELAND, NEW ZEALAND, NORWAY, the RUSSIAN FEDERATION and the US), JAPAN, SWITZERLAND and the Co-Chairs. After extensive deliberations, Co-Chair Yvo de Boer (Netherlands) suggested textual amendments. The title of the work programme would include a footnote stating "the existence of elements in this list is without prejudice to inclusion of these items in the rules, modalities and guidelines

developed for these mechanisms." The discussion on principles would be limited to the "application of existing principles," and the references to FCCC Articles 4.8 and 4.9 (adverse effects) would be deleted.

At the request of G-77/CHINA, the Parties reconvened later to discuss the draft as amended by the Co-Chairs. SAUDI ARABIA, with QATAR, said it would support the Co-Chairs' amended text, if FCCC Articles 4.8 and 4.9 were included. UGANDA said all the references to FCCC Articles 4.8 and 4.9 should be deleted, as they were under deliberation elsewhere. The Co-Chairs concluded that they would report to the joint session that contact group could not find a "consensus modality on a way forward."

### **SBSTA/SBI JOINT SESSION**

The joint SBSTA/SBI session discussed the review of progress under the pilot phase of AIJ, Protocol Articles 6, 12, and 17, and preparations for COP/MOP-1. On the review of progress under the AIJ pilot phase, Chair Cornelia Quennet-Thielen (Germany) presented a draft decision (FCCC/SB/1998/CRP.3) based on informal consultations. The G-77/CHINA opposed text on crediting for AIJ pilot phase projects and proposed an amendment on continuing the AIJ pilot phase, focusing on developing countries. The US and SLOVENIA opposed the change, noting it excluded certain groups of Parties. AUSTRALIA said incentives were needed for the private sector. The draft decision was forwarded to Plenary.

On Protocol Articles 6, 12 and 17, Co-Chairs Luiz Gylvan Meira Filho (Brazil) and Yvo de Boer (the Netherlands) reported that the joint contact group did not agree on a draft work programme. The EU and AUSTRALIA and others put forward the documents they had produced for the contact group. Co-Chairs Kante and Chow distributed a draft decision on the work programme on mechanisms. The G-77/CHINA urged discussion of the contact group Co-Chairs' draft, with CHINA opposing the use of other documents. SOUTH AFRICA and UGANDA rejected the G-77/CHINA position, saying they were unaware the group had discussed the new proposal. With the US, EU, CANADA, JAPAN, KUWAIT and AUSTRALIA, the AFRICAN GROUP favored bracketing the new Co-Chairs' draft entirely. VENEZUELA said forwarding the Co-Chairs' text would require formulation of a joint Subsidiary Bodies' position. KUWAIT suggested the draft decision of the SBSTA/SBI Co-Chairs be forwarded to the COP as a Chair's text. Co-Chair Kante suggested forwarding both texts to the Plenary: the draft work plan proposed by the contact group Co-Chairs and the draft decision proposed by the SBSTA/SBI Co-Chairs. Delegates agreed but it remained uncertain which of the texts would be bracketed.

On matters related to decision 1/CP.3, paragraph 6 (preparations for COP/MOP-1) the Chair of the informal consultations, Espen Ronneberg (Marshall Islands) reported that work was not concluded due to time constraints. He offered an informal paper with an annex containing an initial list of work. Co-Chair Chow suggested further deliberations. SAUDI ARABIA said it would accept this on the condition that the issue of Protocol Articles 4.8 and 4.9 (adverse effects) be resolved at COP-4. The Co-Chairs forwarded the paper to the COP.

MAURITANIA and the Co-Chairs proposed a draft decision urging Parties to sign and ratify the Kyoto Protocol. JAPAN recalled that the draft decision on Article 4.2(a) and (b) contained a bracketed sentence urging Parties to ratify. The US said it was not in a position to urge ratification and suggested postponing the decision. The draft decision was forwarded to the COP.

### **THINGS TO LOOK FOR TODAY**

**Presidential Ceremony:** The Presidential Ceremony is expected to begin at 10:00 am.