



HIGHLIGHTS FROM THE FOURTH UNFCCC CONFERENCE OF THE PARTIES 6 NOVEMBER 1998

Delegates held regional group consultations in the morning. In the afternoon, the COP plenary considered: reports from the subsidiary bodies; possible decisions under Article 4.2(f); and statements from intergovernmental organizations. Contact groups met in the evening and over the weekend.

COP PLENARY

COP-4 President Maria Julia Alsogaray (Argentina) offered condolences to the Caribbean and Latin American countries recently devastated by hurricane Mitch. She noted that over the past year floods, fires, droughts and hurricanes have profoundly effected countries around the world and suggested that "Mother Nature" was reminding delegates that urgent action was needed. EL SALVADOR, for the CENTRAL AMERICAN GROUP, said these events should remind all participants of their vulnerability to disasters and should prompt action.

Delegates observed a moment of silence for the recent tragedies at the request of INDONESIA. He also proposed that the Secretariat draft a statement of sympathy for the affected countries. The President reported that Antigua and Barbuda ratified the Kyoto Protocol on 3 November.

REPORT OF THE SUBSIDIARY BODIES

SBSTA Chair Kok Kee Chow reported that SBSTA had completed initial consideration of all its sub-items. On development and transfer of technology, he said a contact group had met once and would meet again. Deliberations on research and systematic observation have progressed rapidly. On the proposal from Brazil, he said draft conclusions would be forthcoming on Monday. On land use change and forestry, he reported that the contact group Co-Chairs were drafting a decision. Consultations are ongoing on the impact of single project emissions in the commitment period and are nearing conclusions. On review of AIJ, the Chair said the informal consultations were making good progress. On Protocol mechanisms, a joint contact group has held an initial meeting to exchange views and will meet again.

SBI Chair Bakary Kante reported that all items referred to SBI had been considered. Contact groups are considering budgetary issues, national communications from Annex I Parties, initial communications from non-Annex I Parties and the second review of adequacy of

commitments. On implementation of FCCC Articles 4.8 and 4.9, a contact group will base its discussion on those begun at the last session.

The President of the COP invited comments on the draft decision on the review of implementation of commitments and of other provisions of the Convention (FCCC/CP/1998/L.2). Under the draft decision, the COP would decide to defer the review of this matter until COP-5. TURKEY reiterated that its current Annex I status is an anomaly that delays its ratification of the Convention. PAKISTAN called for the resolution of the issue to allow Turkey to participate in the process.

On the reports of the subsidiary bodies, G-77/CHINA reiterated the importance of technology transfer to developing countries and proposed the establishment of a technology transfer mechanism. He urged developed country Parties to prioritize the implementation of the Convention over economic and political considerations. The RUSSIAN FEDERATION requested the subsidiary body chairs to elaborate on the difficulties they have encountered and how these can be overcome. SBSTA Chair Chow said the issues were still under discussion in the designated contact groups.

The Chair of AG13, Patrick Széll, presented the draft decision on the Multilateral Consultative Process (FCCC/CP/1998/L.3). He reported that Parties had accepted the thrust of the proposal. The Chair adopted the decision and said she would hold intersessional meetings to tackle outstanding issues.

The CBD Secretariat highlighted the linkages between the desertification, biodiversity and climate change conventions and the common concern of sustainable development underlying their agenda. He spoke of CBD decisions that emphasized cooperation between the relevant Secretariats, in particular regarding management of information from Parties, provided to fulfil their commitments under the Conventions. The Secretariat said it was ready to act on areas of common and shared interest.

President Alsogaray introduced Item 7C, which were statements from international government organizations. Hama Arba Diallo, Executive Secretary of the UN Convention to Combat Desertification (CCD), spoke of the Argentine interest and commitment to CCD. He suggested that the CCD and the FCCC were related because of their institutional arrangements and their commitment to the principles of sustainable development. He indicated that there should be a convergence of the Rio secretariats to work together for common goals.



William Kennedy, Senior Officer for the European Bank for Reconstruction and Development (EBRD), described activities, such as developing innovative financial mechanisms and supporting the shift to market economy, undertaken in countries with economies in transition, while considering the implications to the environment and climate change. Prodipto Ghosh, Senior Environment Specialist from the Asian Development Bank, discussed the support provided to GHG abatement projects in the Asia-Pacific region. These included: supporting national initiatives, encouraging energy efficiency and renewable energy projects, preparing reports on national circumstances (ALGAS reports) and supporting the development of national communications in 11 countries. The Chief of the Environmental Division of the Inter-American Development Bank, Walter Arensberg, presented information on four themes to help countries in Latin America and the Caribbean meet the challenges of climate change. These included: assisting the enhancement of relevant institutions, expanding the market for sustainable energy to fit new mechanisms, providing financial and technical assistance to carry out global protection programs, and suggesting regulatory and institutional reforms for the private sector.

CONTACT GROUPS

The contact group on the financial mechanism, chaired by John Ashe (Antigua and Barbuda) and Dan Reifsnyder (US), met to discuss additional guidance to and status of the Global Environmental Facility (GEF). The group first discussed a draft decision presented by the G-77/CHINA (FCCC/CP/1998/MISC.3/Add.1). While the EU supported the overall framework of the G-77/China draft decision, with the US, he said it should not include funding for stage II and III processes. AUSTRALIA indicated that he might support stage II efforts now and stage III.

The US tabled a draft decision that focused on: improvements at the operational level of the GEF; resolving the status of and guidance to the GEF in one draft decision; and GEF support programs to assist developing countries in altering their policy and legal frameworks in support of technology transfer. The G-77/CHINA said this proposal did not adequately meet the needs of developing country Parties. A smaller informal group will meet to draft a decision for the contact group to consider at their next meeting.

The joint contact group on mechanisms, chaired by Luiz Gylvan Meira Filho (Brazil) and Yvo de Boer (Netherlands) met on Friday to discuss a work programme prepared by the Co-Chairs. The G-77/CHINA stressed the need for a clear section devoted to the nature and scope of the mechanisms to facilitate comparison. He added that the mechanisms should not exacerbate the economic disadvantage of certain countries, and called for the CDM to be discussed on a priority basis. HONDURAS, supported by several Latin American countries, suggested expeditious creation of the CDM, calling for an "interim phase approach" to develop guidelines and rules. The US stressed parallel progress on all mechanisms. The EU preferred a general, rather than a detailed, debate. NEW ZEALAND stressed the importance of developing a timeline for discussion. Several Parties expressed concern about the length of the draft work programme. SWITZERLAND provided the Chairs with a two-page work programme. The contact group met on Saturday to continue discussion on the work programme, with a much-shortened version prepared by the Co-Chairs that included the Honduran "interim phase" proposal. After some discussion, the Chair acknowledged differences in views among the Parties, but said they were not incompatible. He suggested the Parties conduct informal discussions and reconvene on Monday.

The contact group on technology met on Friday and Saturday to discuss the proposals for a draft decision put forward by the US, EU and G-77/China. The G-77/CHINA presented the principles of the proposed technology transfer mechanism, drawing upon the US and

EU proposals. Further functions or features would be determined as the process develops. The US reiterated its view on market based technology transfer, noting that the Kyoto Protocol places technology transfer and the market at the core of the deliberations. Co-Chair Christ suggested the "cat," as the process was referred to, could represent consultation and capacity, access and advice on barrier removals and technology transfer. She cautioned against duplication of ongoing activities, such as the preparation of the IPCC Special Report on Methodological and Technical Issues in Technology Transfer. The PHILIPPINES questioned the need for further material compilations and said although market based transfer exists, it was not effective and required further measures. The Co-Chair proposed that the Secretariat integrate the three proposals. The delegates discussed the new draft at length and made significant progress. On Saturday evening, the meeting adjourned to allow further consultations on the outstanding issues relating to what to call the process.

The contact group on FCCC Article 4.2 (a) and (b) (review of adequacy of commitments), co-chaired by Jennifer Irish (Canada) and Margaret Mukahanana (Zimbabwe), met over the weekend. A discussion of four draft proposals, presented by AUSTRALIA, the EU, G-77/CHINA and the US, dominated discussion. Debate concerned procedural issues on how to address the texts, with the G-77/CHINA indicating its reluctance to consider a compilation text prepared by the Co-Chairs. After extensive debate, the G-77/CHINA proposed, with the EU and NEW ZEALAND, a reworked text as a negotiating document. The US, with the eventual support of G-77/CHINA, rejected the compilation document and called on the four draft decisions to be presented in their entirety to the SBI. The Parties justified the cautious approach, citing this issue's crucial importance to national positions. CHINA said he interpreted the US and AUSTRALIA proposals as an attempt to exact commitments from developing countries. The US and AUSTRALIA noted that the scientific and technical evaluation from the IPCC indicated that developed country actions would be insufficient to meet the aims of the Convention, and the US incorporated this into its submission. The meeting ended without clear resolution about the report the Co-Chairs should present to the SBI.

The contact group on national communications from Annex I Parties, chaired by Mohamed Ould El Ghaouth (Mauritania) and Alexander Metalnikov (Russian Federation), met over the weekend and formulated a draft decision. It proposed that the third national communications from Annex I Parties be due in 2001 and that subsequent national communications be due every 3 to 5 years. The decision included a statement on the need for further efforts by Parties to improve completeness, consistency and comparability of data and information, as well as participating, through the SBI, in evaluating and refining the review process. It proposed that the Secretariat complete a feasibility study on the potential usefulness of data comparison and report on information contained in annual national inventory submissions.

THINGS TO LOOK FOR TODAY

CONTACT GROUPS: Contact groups will meet in morning and afternoon sessions.

SBSTA: SBSTA will meet in Plenary I at 3:00 pm.