



### HIGHLIGHTS FROM THE FCCC SUBSIDIARY BODIES MEETINGS THURSDAY, 3 JUNE 1999

The Subsidiary Body for Implementation (SBI) considered administrative and financial matters. The Subsidiary Body for Technological and Scientific Advice (SBSTA) discussed development and transfer of technologies. A contact group met to consider guidelines for Annex I communications. There were informal consultations on research and systematic observation.

#### SBI

On administrative and financial matters, Chair Kante invited delegates to consider the following agenda items together: the programme budget for the biennium 2000-2001; income and budget performance in the biennium 1998-99; and arrangements for administrative support to the Convention.

Many delegates said they did not support the proposed 50% budget increase or the proposed 59% rise in the number of staff. The G-77/CHINA stated that, although it has often been a proponent of strong and steady growth in Conventions' budgets, it cannot support the extent of the proposed increase, and noted the current trend among many Parties to support zero-growth budgets. He expressed concern that budget proposals anticipated outcomes of COP decisions that had not yet been made. The EU, supported by the US, CANADA and RUSSIA, suggested that the Secretariat could prepare several other options for a draft budget. He proposed scenarios based on increases of 0%, 5% and 7.5% per annum, and suggested deferring a decision on the budget until COP-5. The US and CANADA preferred resolving the issue at this session, given COP-5's heavy workload.

RUSSIA drew participants' attention to political realities, stating that it would be very difficult to justify asking for such a substantial increase in funding from decision makers back in delegates' respective countries. CANADA emphasized that the Secretariat should focus on its facilitative function. IRAN suggested that the Secretariat provide at least two reports on biennium budgets, thus allowing later drafts to take into account additional expenses resulting from COP decisions. He expressed concern over the number of consultants hired and the criteria applied to their selec-

tion. The PHILIPPINES noted that a budget increase does not necessarily benefit the Parties. She said greater South-South coordination on capacity building could take some pressure off the Secretariat.

In reference to certain programme activities outlined in the budget, CHINA stated that the Secretariat was not mandated to provide policy guidance to Parties but rather the other way around. He noted the need for the budget to reflect the clean development mechanism (CDM) as a priority. EGYPT pointed to streamlining FCCC programme activities with those undertaken in other fora as a means to reduce expenditures. INDIA inquired about the Secretariat's policies on *gratis* personnel and suggested that the Secretariat prepare a table comparing the proposed budget to previous ones.

On contingencies for conference services, the G-77/CHINA said the UN General Assembly (UNGA) should be asked to include the FCCC's requirements in its budget. The US said Parties should pay for conference servicing, and suggested requesting the UNGA to take a decision on this matter.

Michael Zammit Cutajar, Executive Secretary of the FCCC, referred to the Secretariat's predicament when preparing the budget given that it had not received guidance from the Parties. He said this discussion would help remedy this lack of guidance and noted that the proposed budget for the 2000-2001 biennium followed previously used methodology. He noted difficulties in preparing a table or chart allowing comparisons of activities from biennium to biennium. He emphasized that while delegations did not agree to a 50% budget increase, most had acknowledged the increase in the Secretariat's workload. He suggested delegates consider deferring consideration of anticipated budgetary outcomes of upcoming COP-6 decisions until COP-6.

#### SBSTA

The Subsidiary Body on Scientific and Technological Advice (SBSTA) met to continue consideration of development and transfer of technology. On regional workshops to be organized by the Secretariat, JAPAN announced that it would give US\$100,000 for the Asia and Pacific workshop. He noted the important input the

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forthcoming IPCC Special Report will make to the Consultative Process on development and transfer of technology and stressed the need for close coordination between SBSTA and the IPCC.

The G-77/CHINA, with NIGERIA and CHINA, underscored the importance of technology transfer to developing countries. While recognizing the difficulties of making it work outside open market mechanisms, he reiterated that technology transfer could not be undertaken under the market process. He stressed the need to address technology transfer in the broadest sense and incorporate elements of capacity building, public awareness, installation and smooth transfer from the donor to the recipient. He highlighted the need for rules and procedures to govern the transfer of technology and called for an increase in the Secretariat's budgetary allocation to fund capacity building for technology transfer.

CANADA stated that technology transfer is critical to achieving the long-term goals of the Convention and Protocol. She described the private sector as the main vehicle for the transfer and said the challenge is to create an enabling environment and implement enabling activities leading to continuous transfer. She added that investments associated with the mechanisms (CDM and JI) will be instrumental in the transfer of efficient and effective climate change technology to non-Annex I Parties and economies in transition. CHINA cautioned against redefining technology transfer and stressed that transfer under the Convention should occur on non-commercial terms. She said existing transfers of technology were inadequate to meet the objectives of the Convention and stated that the main barrier is the political will of developed countries. Regarding technology transfer under the CDM, she said this should be additional to that occurring under the Convention.

#### **CONTACT GROUPS AND INFORMAL CONSULTATIONS**

The contact group on Annex I Party national communications met to consider draft guidelines for reporting on non-inventory issues. The group adopted a number of amendments to the text that had been drafted at an earlier workshop held in Bonn. There was a divergence of views regarding whether Parties should include gross domestic product (GDP) and greenhouse gas emissions measurements per capita in their national communications. The paragraphs including such reference were bracketed and deferred to a smaller group for consideration. Delegates also discussed the use of the terms "should" and "shall" in the draft guidelines. They agreed to bracket them pending further discussion.

The informal consultation on research and systematic observation met to discuss and make largely textual amendments to a Chair's draft of conclusions for SBSTA. The conclusions recognize the continued degradation of observation capacity in developing countries; urge Parties to provide enhanced support to capacity building; and require the Global Climate Observing System (GCOS) Secretariat to prepare regional implementation plans and options for improving observation capacity. Delegates pointed out the lack of emphasis on research in the conclusions and

decided to make it clear that only systematic observation was covered. They decided to reconvene on Friday to discuss a revised draft.

#### **IN THE CORRIDORS**

While negotiators report that they are in Bonn to, among other things, work out the operational details of the Kyoto mechanisms, some NGO analysts have suggested that debates continue to reflect a lack of resolution on the bigger political questions. In discussions on LULUCF and the revision of guidelines for national reporting by Annex I Parties, observers detect that overarching political debates about where the burden of responsibility for tackling GHG emissions should lie continue to skew interventions.

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

**SBSTA:** SBSTA will meet at 10:00 am in the Maritim Room. For other meetings, please consult the meeting board.

*Editor's Note: In the afternoon, the subsidiary bodies' meetings were interrupted by a bomb threat to the Maritim Hotel. All meetings for the remainder of the day were cancelled.*