



HIGHLIGHTS FROM THE MEETINGS OF THE FCCC SUBSIDIARY BODIES MONDAY, 7 JUNE 1999

The Subsidiary Body for Implementation (SBI) held a morning session to discuss arrangements for intergovernmental meetings, including arrangements for COP-5 and COP-6. Contact groups were convened on: the Protocol mechanisms; Annex I communications; non-Annex I communications; and land use, land-use change and forestry. Informal consultations were held on emissions resulting from fuel used for international transport.

SBI

On arrangements for COP-5, SBI Rapporteur Klaus Radunsky (Austria) reported on ongoing informal consultations on dates for COP-5 and on the timing and nature of the high-level segment. He outlined two alternative proposals on arrangements for COP-5 and noted that, while both scheduled the beginning of the session for 25 October 1999, one entails a Committee of the Whole (COW) while the other excludes it. He said options for the high-level segment are 1-2 November and 4-5 November. On topics for the high-level segment, he said two options were being discussed. The first proposes the high-level segment to address, *inter alia*: experiences; key issues; challenges with regard to innovative, efficient and state-of-the-art technologies; policies and measures; and the Protocol mechanisms, as well as ways and means of promoting their development. The second proposes an exchange of views on the short- and long-term development of the Convention and the Protocol, including the implementation of the Buenos Aires Plan of Action (BAPA).

The G-77/CHINA tabled a draft decision on arrangements for COP-5. He indicated that, *inter alia*: no "contentious" or "extra-neous" issues should be included in COP-5's agenda; no COW need be formed; the high-level segment should take place from 3-4 November; and Ministers and heads of delegation should participate on an equal footing. He recommended that the high-level segment address the state of implementation of the BAPA and the early entry into force of the Protocol. The EU called for dynamic interaction among heads of delegation during the high-level segment, rather than lengthy statements. CHINA, supported by SAUDI ARABIA, QATAR and KUWAIT, inquired about the meaning of "long-term implementation of the Convention" as a discussion topic and said the high-level segment should focus on reviewing the state of implementation of the BAPA. The EU, with

the US, noted the need for more consultations on arrangements for COP-5. JAPAN accepted most of the G-77/CHINA's suggestions, except on timing for the high-level segment. He emphasized COP-5's role in building momentum towards COP-6.

The NETHERLANDS announced its offer to host COP-6 in the Hague and said it was up to Parties to decide whether it should take place in 2000 or 2001. He drew attention to significant financial implications for the host country if an early decision is not taken. The US noted its preference to hold COP-6 in 2001 in view of the work required to solve pending issues, including the Protocol mechanisms, compliance procedures and LULUCF. He proposed two sessions of the subsidiary bodies to take place between COP-5 and COP-6. AUSTRALIA said that since COP-6 had important decisions to take it should be held early in 2001. CANADA noted the importance of setting the technical foundation of decisions on issues such as technology transfer, the mechanisms and compliance. He said there should be ample opportunities for subsidiary body discussions in 2000, which may affect the dates for COP-6. The G-77/CHINA preferred scheduling COP-6 in October or November 2000, and objected to additional intersessional meetings of the subsidiary bodies. KUWAIT and LEBANON stressed that the COPs should be held on a yearly basis. The EU expressed its flexibility on the timing of COP-6 but underscored the need for a prompt decision to permit the Netherlands sufficient time for preparations. Chair Kante requested John Ashe (Antigua and Barbuda) to undertake informal consultations and report back to the SBI.

The Executive Secretary said the Secretariat had scaled down its plans for the biennium 2000-2001, given the reaction to its budget, but added that no corresponding scaling down had occurred in the expectations of delegates. He indicated that conclusions emerging from the contact groups envisaging activity in the budget period 2000-2001 should include a qualifier referencing the forthcoming decision on the programme budget.

CONTACT GROUPS AND INFORMAL CONSULTATIONS

Emissions from international transport: Jose Romero (Switzerland) conducted informal consultations on the draft conclusions on emissions resulting from fuel used for international transportation. Delegates called for clarity regarding what SBSTA-11 will consider and agreed to delete a reference to SBSTA forwarding a draft decision to COP-5. They discussed extensively an informal report by the Secretariat that was distributed during a SBSTA session. Issues raised included: whether the report had or will have



the status of a technical report; what decision initiated it; and how to proceed with its review and revision. They also considered including a chapeau outlining the decisions calling for further work, and including language noting that the Convention is the framework under which action will be taken. Chair Romero will re-draft the relevant paragraphs and circulate a revised draft.

Joint contact group on mechanisms: The G-77/CHINA requested more time to formulate its position. He said the group was focusing on the clean development mechanism (CDM) and that the three mechanisms should be addressed in sequence, as they are different in nature and scope. He noted that the synthesis of proposals does not reflect the idea that principles be addressed first. NORWAY, on behalf of the Umbrella Group (a fluid grouping of non-EU Annex I countries), expressed regret that G-77/China was not prepared. He said the BAPA had requested SBSTA to consider all three mechanisms and prioritize the CDM. Supported by the EU, he suggested starting with discussions on the CDM but also allocating time to consider the other mechanisms. The EU stated that although the mechanisms may be distinct, a number of similar issues exist. After consultations with representatives of the regional groups, Chair Chow adjourned the meeting until Tuesday morning.

Annex I Communications: The contact group on Annex I communications convened in afternoon and evening sessions to consider the following documents: the draft decision on guidelines and the schedule for Annex I communications; draft SBSTA and SBI conclusions on Annex I communications guidelines; draft guidelines on inventories; and notes on the common reporting format (CRF).

Regarding the draft decision on guidelines and the schedule, the group accepted a number of amendments, including, *inter alia*: a preambular sentence proposed by Switzerland noting the ongoing process of improvement in reporting guidance to Parties, particularly through the IPCC's work on uncertainties and good practice in managing inventories; and the EU's insertion of "annual" inventory reporting. The group accepted an amended draft of the SBSTA and SBI conclusions on guidelines for Annex I communications. On the draft guidelines on inventories, the group concluded its discussion after accepting several amendments, including, *inter alia*: deleting a paragraph with definitions of the terms "shall" and "should;" and inserting a sentence noting that the CRF is part of the national inventory report. In its evening session, the group accepted the notes on the CRF as amended.

Non-Annex I Communications: The non-Annex I communications contact group met in an evening session and exchanged preliminary views on a draft decision submitted by the EU. The EU said the intent of the decision is to improve the quality of communications and address some of the constraints faced by non-Annex I countries. He underlined learning from experiences gained while preparing initial communications and making progress towards guidelines for non-Annex I second communications as the EU's main concerns. He highlighted the usefulness of open, transparent and non-confrontational technical assessment of non-Annex I communications. He indicated that the IPCC Inventory Task Force could be requested to develop a work plan to prepare a comprehensive database on regional emission factors. The G-77/CHINA pointed to inconsistencies between the draft decision and previous COP decisions on providing guidance to the operating entity of the

financial mechanism. She questioned the IPCC's capacity to gather country-specific information. The US said it supported many of the points in the EU's text, particularly on the usefulness of technical feedback and the need to develop guidelines for second national communications. TOGO noted that it was premature to think about guidelines for second communications as most non-Annex I countries were still preparing their first. MEXICO said financial support should be available not only for vulnerability assessment but also for mitigation and adaptation efforts. SWITZERLAND emphasized the need to identify problems with the preparation of inventories. The group decided to invite the IPCC Inventory Task Force to give a brief presentation on its work and continue discussing the proposed draft decisions at the next session.

LULUCF: The LULUCF contact group met in the afternoon to consider draft conclusions that contained a compilation of additional proposals by Parties based on ideas emerging from the group's earlier discussions. Participants agreed to wording for paragraphs that, *inter alia*: invites Parties to review questions in the SBSTA document on LULUCF methodological issues and requests them to provide submissions on these topics, where possible electronically, for consideration at SBSTA-11; and further considers, at SBSTA-11, the process and timing for the analysis of information provided by the IPCC Special Report on LULUCF and the process of developing the work programme. The group had not completed its work by the meeting's scheduled conclusion, and elected to continue deliberations into the night.

IN THE CORRIDORS

With a plea for prayers for the G-77/China negotiators attempting to agree on an internal position on the Protocol mechanisms, the joint contact group on mechanisms was adjourned yet again by Chair Chow. The repeated adjournments prompted one observer to speculate that the "G" in G-77 should come to signify "Godot," as in "Waiting for Godot." Some reported that the G-77/China is experiencing difficulty with the "nature and scope" of the CDM itself, including what it constitutes, whether certified emission reductions should be "tradeable" and whether a portion of project proceeds should go towards an "adaptation" fund. Some participants suggested that with few opportunities to meet intersessionally and an unwillingness to dissolve into regional positions, the G-77/China might be unable to agree on a comprehensive position in time for serious discussion at this meeting. Some suggested that the Secretariat could help by playing a more "facilitative role" in promoting intersessional dialogue between Parties within the G-77/China. Against the backdrop of heated budget discussions and the fiscal discipline being demanded of the Secretariat, this may well be a tall order, leaving some observers wondering at the best way forward.

THINGS TO LOOK FOR TODAY

Joint contact group on mechanisms: This group will meet at 10:00 am in the Beethoven Room.

Joint Working Group on compliance: The JWG will meet at 3:00 pm in the Beethoven Room.