



# Earth Negotiations Bulletin

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## HIGHLIGHTS FROM THE MEETINGS OF THE FCCC SUBSIDIARY BODIES 29 JULY 1997

The Subsidiary Body for Implementation (SBI) and the *Ad Hoc* Group on Article 13 (AG13) met in morning and afternoon sessions. SBI discussed national communications, the financial mechanism and arrangements for intergovernmental meetings. The *Ad Hoc* Group on Article 13 continued discussions on a compilation text on functions and procedures for any multilateral consultative process (MCP). Delegates also met in contact groups to continue discussions on methodological issues and the division of labor between SBSTA and SBI.

### SUBSIDIARY BODY ON IMPLEMENTATION

**Financial Mechanism:** The Secretariat summarized the compilation of the views submitted by Parties (FCCC/SBI/1997/MISC.3) and the synthesis report (FCCC/SBI/1997/8). Chair Mohamed Ould El Ghaouth (Mauritania) requested comments on the financial mechanism, and noted that in the first replenishment period of the Global Environment Facility (GEF) no climate change related activities were denied funding. SAUDI ARABIA noted that the GEF was sufficient for the interim period but was outdated. Along with KOREA, IRAN and the G-77/CHINA, he called for additional time to consider the financial mechanism.

KUWAIT, NIGERIA and SAUDI ARABIA suggested that Parties consider other options for a financial mechanism. CHINA called for an increase in the replenishment funds, and requested that additional funds be allocated for technology transfer. MALAYSIA noted that two of its project proposals have been turned down by the GEF.

LUXEMBOURG, for the EU, stated that the report presented by the Secretariat provided sufficient basis to support replenishment, and suggested that the GEF be appointed the permanent operating entity of the financial mechanism. AUSTRALIA, the US, CANADA, JAPAN and the UK noted the success of the GEF and supported making the GEF the permanent financial mechanism at COP-3. The UK stated that it is committed to the GEF, prepared to make substantial contributions and called on other donors to do likewise. The GEF welcomed the review of the financial mechanism and noted that it has provided US\$4 billion in operational support for climate change projects. TANZANIA, on behalf of the G-77/CHINA, called for all sources of information to be carefully examined, and noted that he was willing to submit a draft decision on the review process. A contact group chaired by John Ashe (Antigua and Barbuda) was established to consider the issues.

**Non-Annex I Communications:** The Secretariat presented documents on Secretariat activities regarding financial and technical support (FCCC/SBI/1997/9) and on the submission of initial national communications (FCCC/SBI/1997/13). She noted that Argentina and Jordan have submitted national communications and 40 other non-Annex I Parties had indicated they would do so by 2000. LUXEMBOURG, for the EU, said the review process for non-Annex I communications should begin as soon as possible. CANADA urged acceleration of non-Annex I communications.

She supported a process for consideration of non-Annex I communications as a way of advancing commitments under Article 4.1, including guidelines and country visits. AUSTRALIA emphasized the review component as an integral part of the process, noting that country visits with participation by non-Annex I experts were helpful in the Annex I Parties process.

ARGENTINA said consideration of non-Annex I communications should be facilitative, not confrontational, and that he had no problem with in-depth studies of non-Annex I communications. TANZANIA, for the G-77/CHINA, supported by AUSTRALIA and CUBA, said the discussion of Annex I and non-Annex I communications should be based on differentiation. CHINA and MALAYSIA recommended an overall assessment rather than individual review, noting that initial non-Annex I Parties' communications may not be as consistent or complete as Annex I Parties'. The US said consideration on non-Annex I Parties' commitments need not be as detailed nor as extensive as that for Annex I Parties. She said compilation and synthesis of non-Annex I communications did not require the same schedule or frequency but could contribute to a comprehensive synthesis report, which could identify gaps or inconsistencies in non-Annex I communications.

The PHILIPPINES said a greenhouse gas (GHG) abatement strategy is beyond developing country commitments and should not be mentioned except as a possible voluntary activity. With CHINA, INDIA, MALAYSIA and COLOMBIA, she emphasized that non-Annex I communications are governed only by FCCC provisions and the relevant COP-2 decisions. ZIMBABWE, CUBA and others said provision of initial communications is linked to provision of funds. SAUDI ARABIA said the financial support must be sustainable and linked to capacity building.

The REPUBLIC OF KOREA and MALAYSIA underscored varying country conditions and capacities. BANGLADESH and BURKINA FASO supported regional workshops. JAPAN said it is strengthening training courses for developing country experts to increase capacity. SENEGAL promised to submit its communication between now and Kyoto. The Chair suggested a contact group led by the US and Malaysia.

**Arrangements for Intergovernmental Meetings:** Delegates considered document FCCC/SBI/1997/11. On arrangements for COP-3, the G-77/CHINA, supported by NIGERIA, VENEZUELA, SAUDI ARABIA, KUWAIT, CHINA, MALI, IRAN, KOREA, CENTRAL AFRICAN REPUBLIC, COLOMBIA and INDIA said the proposed ministerial segment must include all heads of delegations and their advisors, not just ministers. Some delegations said it should be re-named a "high level" segment and any text for discussion must be distributed well in advance of the ministerial roundtable. On COP-3 agenda, the G-77/CHINA supported holding COP-4 in 1998. The EU and AUSTRALIA preferred scheduling COP-4 in early 1999. ARGENTINA noted that the proposal to hold COP-4 in 1999 came from the steering committee of COP not the Secretariat.

The EU supported proposals for a ministerial roundtable and favored replacing general debates with written statements in order to focus on protocol negotiations. The PHILIPPINES said her vice-minister was excluded from speaking at COP-2 for lack of time, something which should not be repeated in Kyoto. The US and

INDIA expressed dissatisfaction with the COP-2 roundtable and said ministers should be allowed to give statements. NIGERIA, CHINA and SAUDI ARABIA cautioned against selected partner organizations and NGOs in the ministerial roundtable and questioned who would make the selections. JAPAN said NGOs should be excluded from the ministerial segment given its highly political nature.

### AD HOC GROUP ON ARTICLE 13

Chair Patrick Szell (UK) reconvened AG13 to proceed with a paragraph-by-paragraph review of the draft compilation of proposals for a multilateral consultative process (MCP) (FCCC/AG13/1997/2 Annex II). Parties agreed on a reformulated introductory paragraph prepared by a working group chaired by Zimbabwe. The paragraph establishes the MCP as a set of procedures to be served by a committee. There was no agreement on whether the committee should be standing or *ad hoc* or whether it should be established under the SBI.

On the second paragraph, which sets out objectives, the Chair noted an EU proposal, supported by SWITZERLAND and AUSTRALIA, to refer to the "process" rather than the committee. The US, supported by SAUDI ARABIA, proposed that the MCP provide Parties with advice on "their" implementation of the Convention. The EU said Article 13 of the FCCC refers to advice on "the" implementation.

On the subparagraphs of paragraph 2, there was no agreement on the objectives of promoting understanding of the Convention and preventing disputes. The Chair noted support from IRAN, CHILE and CHINA for the inclusion of the provision of assistance to Parties together with an EU suggestion that the committee advise other elements of the FCCC on providing financial and technological assistance. The Chair agreed to note IRAN's proposal, supported by SAUDI ARABIA, to reformulate subparagraphs 2(a), (d) and (e), to read: "Providing [consultative] assistance to the Parties in need in order to facilitate implementation of the Convention and finding solutions to the possible problems in this regard." The Chair noted that the question of providing assistance was likely to continue to haunt the Parties.

AUSTRALIA and the US objected to a suggestion by SWITZERLAND, supported by FRANCE, that the objectives include a reference to a protocol. The Chair advised Parties to forget references to a protocol until next year.

The EU proposed changing the order of paragraphs in the compilation text. Parties agreed to move a paragraph on the nature of the MCP (paragraph 6) to create a new paragraph 3 and to remove brackets from a reference to "timely" conduct of the process and from a reference to full participation by concerned Parties. SAUDI ARABIA, CHINA and SAINT LUCIA considered that a non-confrontational and transparent process called for participation by concerned Parties. The EU concurred. SWITZERLAND and FRANCE questioned involvement of concerned Parties at the final stages of the process. The Chair noted that the meaning of "process" throughout the text should now be understood in light of the new first paragraph.

The Chair explained that paragraph 5, which states that the MCP will be separate from and without prejudice to the provisions of FCCC Article 14 (settlement of disputes), is based on wording from the Montreal Protocol. SAUDI ARABIA recalled that FCCC Article 13 is not a non-compliance procedure. The Chair invited Parties to ask whether the MCP's relationship to the settlement of disputes in FCCC Article 14 arose at all, given its "helpline" nature.

In the afternoon, discussion took place on a paragraph concerning the committee mandate, which is to become a new paragraph. It was agreed that the title should be changed to "Mandate of the Committee." The EU proposed reversing the order of subparagraph (a) (providing assistance) and (b) (submissions and information), generating ample debate on the priority each should be accorded. SWITZERLAND considered that (b) was of a procedural nature and would be better dealt with in accordance with procedural paragraph 12. The EU made a proposal to include some elements of (b) in the chapeau. Upon a suggestion by the Chair, AG13 agreed to delete (b) on the understanding that it would be dealt with in the chapeau in similar terms to those proposed by SWITZERLAND.

On (a)(i), it was decided to include a reference to "resolution" of questions. On (a) (ii), there was significant debate on provision of assistance to Parties. Proposals in this regard were made by CHINA, SWITZERLAND, the EU and the US. SWITZERLAND agreed to go along with the EU proposal that assistance consist of advice and recommendations on technical and financial aspects. The remaining proposals will appear in the new compilation text. On (c), there was considerable debate on the role of the COP. The EU and FRANCE were of the view that the brackets should be lifted. SAUDI ARABIA requested that (c) be deleted. The US, JAPAN and SWITZERLAND considered that it should remain bracketed. A reference to SBI was placed in brackets.

### CONTACT GROUPS

The contact group on methodological issues heard presentations from the Secretariat on guidelines for reporting emissions inventory data, particularly regarding recalculation of the base year inventory. The Secretariat noted that estimation of GHG emissions using methods other than those used in the base year inventory could impede an accurate comparison between targets and base year inventories. Participants also heard presentations on the IPCC Work Programme and the UNEP Collaborating Centre. Delegates further examined and completed their work on amending the programme of work on methodologies.

The contact group on the division of labor between SBI and SBSTA continued discussion on document FCCC/SB/1997/2. During the discussions on guidelines for national communications, some delegates cautioned against taking action that would prejudice decisions to be taken on non-Annex I communications. Delegates accepted an amended proposal from the US and Malaysia on technology transfer and agreed to text on NGO consultations.

### THINGS TO LOOK FOR TODAY

**AG13:** AG13 will reconvene at 10:00 am in the Beethoven Room.

**SBSTA:** SBSTA is expected to meet at 10:00 am in the Maritim Room.

**SBI:** SBI is expected to meet at 3:00 pm.

**Division of Labor Group:** The Division of Labor Group is expected to meet at 11:00 am in a room to be announced.

**Non-Annex I Communications Group:** The Non-Annex I Communications Group will meet from 11:00 - 1:00 pm in Koch Room.

**Financial Mechanism Group:** The Financial Mechanism Group will meet from 11:00 - 1:00 pm and 3:00 - 6:00 pm in Liszt Room.