



Earth Negotiations Bulletin

A Reporting Service for Environment and Development Negotiations

Vol. 12 No. 58

Published by the International Institute for Sustainable Development

22 October 1997

HIGHLIGHTS FROM THE MEETINGS OF THE FCCC SUBSIDIARY BODIES 21 OCTOBER 1997

Delegates to the seventh session of the Subsidiary Body for Implementation (SBI-7) discussed communications from Parties included in Annex I, the review process for the financial mechanism, proposed amendments to the Convention and mechanisms for consultations with NGOs. Discussions in the seventh session of the Subsidiary Body for Scientific and Technical Advice (SBSTA-7) centered on the roster of experts, the development and transfer of technologies and methodological issues.

SUBSIDIARY BODY FOR IMPLEMENTATION

SBI Vice-Chair José Romero (Switzerland) invited Parties to continue discussion on the pilot phase of activities implemented jointly (AIJ) and recalled that a joint SBSTA/SBI contact group would begin work on this item. SRI LANKA noted the obstacles posed by the additionality principle in the AIJ criteria and welcomed a decision by France to delete the additionality condition from its AIJ guidelines. He called on other Annex I Parties to do likewise. INDIA, supported by VENEZUELA, highlighted the limited scope and geographical distribution of current projects and the narrow information base available for assessment. He said a comprehensive review of the pilot phase would not be possible as envisaged by the COP. He called for more projects utilizing front-line technologies and clear data on GHG reductions, cost effectiveness and contribution to capacity building. AUSTRALIA said Parties must capture the advantages in cost effectiveness and environmental gains. He noted the importance of flexibility in financing AIJ and announced an Australian AIJ initiative with three developing countries.

On national communications from Parties included in Annex I, the Secretariat introduced the first compilation and synthesis (FCCC/SBI/1997/19), an addendum containing tables of inventories of anthropogenic emissions and removals (Add.1); and updated information on GHG emissions and projections (INF.4). The US supported the development of an electronic reporting program, and requested a report based on Parties' suggestions for improvements. He noted that many Parties did not follow the guidelines for reporting for policies and measures. The EU noted that: some Parties have had difficulty complying with guidelines; non-Annex I experts should participate in the review process; and its communication *is being finalized. The US and the EU noted the inadequacy of reporting measures for HFCs, SFCs and SF₆.

CHINA stated that reporting should focus on CO₂, policies and measures should take into account different country situations, and that the report does not adequately address technology transfer. NEW ZEALAND said Parties should nominate a range of experts

for reviewing reports. With the EU, she did not support the Secretariat's proposal to discontinue the distribution of executive summaries drawn from the communications. UZBEKISTAN said the participation of national experts from countries with economies in transition and developing countries could provide good training. URUGUAY said it had just presented its first national communication and called for broad FCCC implementation by Parties that bear the greatest responsibilities.

On the review of the financial mechanism, the Vice-Chair informed delegations that a proposed Chair's draft decision had been prepared and appeared as Appendix III to document FCCC/SBI/1997/16. The GEF introduced its report to COP-3, which addressed how it had implemented the guidance provided by previous COPs. She noted that during the 13 month reporting period, total project funding for climate change activities exceeded US\$570 million, of which the GEF provided approximately US\$155 million in grant financing. She said the report described activities undertaken by GEF to improve its performance, including a report on the application of the concept of full incremental costs.

The EU said that the review of the financial mechanism should be seen as an ongoing activity of the COP, that EU members had already pressed for replenishment of GEF and that it hoped that this meeting would agree to the designation of GEF as the financial mechanism. TANZANIA, on behalf of the G-77/CHINA, reiterated its position on the need to continue dialogue on the designation of GEF as the FCCC financial mechanism. INDIA pointed to the need to expand the parameters that are used on the ground by GEF for the preparation of initial communications. A drafting group was established to consider the issue further.

Delegates also considered proposed amendments. The Vice-Chair said the question is whether SBI should make recommendations to the COP regarding the amendments. One submitted by Pakistan and Azerbaijan would remove Turkey from Annexes I and II. Pakistan noted Turkey's status as a medium developed country and its fractional emissions compared to the Annex I average. TURKEY said it intends to become a Party, but its burden would be disproportionate given its economic circumstances.

The EU said all OECD members should adopt commitments under a protocol. He opposed the amendment, pending a possible special regime for Turkey, Mexico and Korea or Turkey's indication of a target it would assume. KOREA distinguished between the status it shares with Mexico as a non-Annex I Party and that of Turkey. He said it was another matter whether Korea would voluntarily assume emissions reductions. MEXICO said there was no grounds to include Mexico and Korea in possible protocol annexes. He rejected attempts to link membership in any organization with Convention obligations.

This issue of the Earth Negotiations Bulletin <enb@iisd.org> is written and edited by Paola Bettelli <paobe@sprynet.com>, Chad Carpenter, LL.M. <chadc@iisd.org>, Peter Doran <PF.Doran@ulst.ac.uk> and Steve Wise <swise@jgc.apc.org>. The Editor is Pamela Chasek, Ph.D. <pam@iisd.org> and the Managing Editor is Langston James Kimb Goree VI <kimo@iisd.org>. The sustaining donors of the Bulletin are the Netherlands Ministry for Development Cooperation, the Government of Canada and the United States of America (through USAID). Support for this edition was also provided by the UNFCCC Secretariat. General support for the Bulletin during 1997 is provided by the Department for International Development (DID) of the United Kingdom, the Ministry of Foreign Affairs of Denmark, the European Community (DG-XI), the German Ministry of Environment, Nature Conservation and Nuclear Safety, the Ministries of Environment and Foreign Affairs of Austria, the Ministry of Environment of Sweden, the Swiss Federal Office of the Environment, and UNDP. ENB can be contacted at tel: +1-212-644-0204; fax: +1-212-644-0206. IISD can be contacted at 161 Portage Avenue East, 6th Floor, Winnipeg, Manitoba R3B 0Y4, Canada; tel: +1-204-958-7700; fax: +1-204-958-7710. The opinions expressed in ENB are those of the authors and do not necessarily reflect the views of IISD and other funders. Excerpts from ENB may be used in non-commercial publications only and only with appropriate academic citation. Electronic versions of the ENB are sent to e-mail distribution lists and can be found on the Linkages WWW server at <http://www.iisd.ca/linkages>.

JAPAN and CANADA said all cases including Turkey's should fall within an overall review of Annexes required by December 1998. The US said a recommendation would be easier to develop when the post-2000 regime and various national roles are clear.

An amendment proposed by the EU would permit adoption of a protocol by 3/4 majority if consensus is absent, and would apply the protocol provisionally pending its entry into force. The EU said the amendment allows the majority's desire for urgent action to be met. He recommended leaving the amendment on the table for COP-3.

SAUDI ARABIA said the amendment opened the door for many more and that provisional application violated the Convention. VENEZUELA said provisional application was "absurd" and not a proper amendment. The US and CHINA expressed reservations about provisional application. AUSTRALIA said he cannot accept a protocol with economic implications adopted by majority voting. KOREA opposed the amendment.

An amendment proposed by KUWAIT calls on Annex I Parties to provide financial resources, including technology transfer, determined by the COP to meet the full incremental costs of developing countries' obligations. SAUDI ARABIA said the amendment is the only way to ensure necessary funds are forthcoming. The UK, the US, AUSTRALIA, JAPAN and SWITZERLAND did not accept the amendment. The Vice-Chair suggested a conclusion noting that proposed amendments be forwarded to COP-3, recommending that the COP take account of views expressed during SBI.

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNICAL ADVICE

On the roster of experts, the EU noted that Parties should be requested to review the information on the current roster and submit additional nominations to the Secretariat, particularly of experts with backgrounds related to the economic and financial aspects of transfer of technology and know-how. With regard to the issue of Intergovernmental Technical Advisory Panels (ITAPs), she pointed out that until now SBSTA had not been able to establish the panels, mainly because of difficulties in agreeing on a structure. She said the structure should facilitate a flexible and effective approach and indicated that a number of small working groups could be established to deal with SBSTA's scientific and methodological issues. The G-77/CHINA reiterated that the establishment of ITAPs is central to SBSTA's work, particularly on technology transfer and know-how.

Regarding procedural problems encountered in using the roster, the US stated that they would not be solved by establishing permanent standing bodies. He said it was premature to take a decision on ITAPs and encouraged better use of the roster through increased participation by experts. On the EU proposal, the US said nothing precluded putting it into effect right away.

JAPAN and ZIMBABWE agreed that although a useful tool, the roster lacked geographical balance, perhaps due to inadequate dissemination of information on the roster in certain regions. MALAYSIA and INDIA noted an emerging consensus that some of the issues needed to be studied by groups of experts.

Delegates considered the activities of Parties included in Annex II related to transfer of technology (FCCC/SBSTA/1997/13) and the report on technology information centers (CRP.3). The US said the report demonstrates the extensive amount of work underway, but noted that many countries cannot provide the information required by the guidelines. The EU called upon non-Annex I countries to report on their technology needs and, with MALAYSIA, supported the Secretariat's proposal to revise the guidelines. SRI LANKA said that SBSTA's actions should reflect the spirit of language adopted at UNGASS on transfer of environmentally sound technology.

Delegates also discussed a progress report on the development and transfer of technologies (FCCC/SBSTA/1997/10); a technical paper on adaptation technologies (FCCC/TP/1997/3) and a Climate Technology Initiative (CTI) survey of information centers.

JAPAN highlighted recent CTI national and regional workshops and, with the EU, noted the need to make the best use of existing institutions and programmes. The EU also stressed the importance of the technological needs survey for non-Annex I Parties and urged Annex I Parties to provide information on any related surveys.

Some developing countries described difficulties in identifying adaptation technology and responding to questionnaires and surveys. They said it was difficult to identify their own technological needs and suggested a study. INDIA described its recent technological advances, including electronic networking systems and regional research centers. MALAYSIA said the Secretariat should promote decision-making tools and develop a technology information center. The US said technology is key to solving the climate change threat and creating the right investment climate to attract financing is critical to resolving the technology transfer issue.

On methodologies, the Chair noted that the AGBM had requested recommendations for estimating emissions and sinks and using Greenhouse Warming Potentials (GWPs). He suggested that the Secretariat draft a text based on previous SBSTA decisions and conclusions. The US proposed focusing on uncertainties in sources and sinks. He said the consideration of GWPs should include their technical and legal legitimacy and which time horizon to use.

The Secretariat introduced the document on methodological issues (FCCC/SBSTA/1997/9) and a technical paper on temperature adjustments and Parties' actions (FCCC/TP/1997/2). The EU said individual Parties should choose whether and how to apply adjustments, but should describe their approaches in detail. Parties should report inventories without adjustments. The US said careful construction of baselines and targets compensates for temperature and other fluctuations. Multi-year averaging compensates for short-term fluctuations and requires no adjustments.

TANZANIA presented a draft decision that calls on SBSTA to identify gaps developing countries face in research and development of methodologies, monitoring and assessment capacity, and observational networks. It calls on SBI to eliminate the gaps and provide financial and technical support.

IN THE CORRIDORS

Great expectations filled the corridors as participants in Bonn looked forward to an announcement Wednesday by US President Bill Clinton, signaling his administration's opening bid in the negotiation of a binding target for the AGBM. There was some agreement that President Clinton has already succeeded in installing a significant amount of political insulation to protect himself from detractors - whether from the environmental or industry lobbies. The President has worked hard and fast to create a climate of opinion in which both the press and the public in the US have warmed to the idea of an international agreement. At the same time his administration has successfully dampened expectations among environmentalists by circulating memos and options which suggest that anything beyond stabilization targets will represent a gain - not least by the President himself. Meanwhile, the G-77/CHINA reached agreement on its counterbid. The Group is expected to propose gas-by-gas reduction targets for three periods beginning in 2010.

THINGS TO LOOK FOR TODAY

AGBM: AGBM will meet at 10:00 am in the Grosser Saal

BRIEFING: The Chair of the AGBM will give a briefing on the work of AGBM at 2:30 pm in the Grosser Saal.