



SUBSIDIARY BODY FOR IMPLEMENTATION  
Eighth session  
Bonn, 2-12 June 1998  
Agenda item 12

REPORT ON THE SESSION

Draft report of the Subsidiary Body for Implementation on its eighth session

Rapporteur

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<sup>1</sup> This sub-item relates to Article 6 of the Kyoto Protocol and paragraph 5 (c) of decision 1/CP.3. The term “joint implementation” is used for convenience.

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<sup>2</sup> The annexes will be included in the final version of the report to be issued under the symbol FCCC/SBI/1998/XX.

## I. OPENING OF THE SESSION

### (Agenda item 1)

1. The eighth session of the Subsidiary Body for Implementation (SBI) was held at the Hotel Maritim, Bonn, from 2 to 12 June 1998.
2. At the 1<sup>st</sup> meeting, on 2 June 1998, the Chairman of the SBI, Mr. Bakary Kanté (Senegal), opened the session and welcomed all delegates and observers. In welcoming participants, he recalled that the current session was the first session of the SBI since the Conference of the Parties (COP) at its third session in Kyoto had adopted the Kyoto Protocol to the United Nations Framework Convention on Climate Change. The Chairman stressed that at this session the SBI had two full weeks in which to complete its work; delegates thus had a considerable opportunity that would not be available during the meetings scheduled in combination with COP 4. He expressed the hope that delegates would assist him in bringing the session to a successful conclusion.
3. Also at the 1<sup>st</sup> meeting, on 2 June, the Executive Secretary welcomed all participants to the session. He emphasized that the SBI at its eighth session would have the opportunity to make progress and lighten the load which all Parties would have to face in their negotiations at COP 4. To help achieve this, he called upon all Parties to demonstrate flexibility so as to enable the necessary sequencing and coordination between the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA) in the consideration of agenda items. He also outlined to delegates the new structure of the secretariat and noted with satisfaction that the number of signatories to the Kyoto Protocol was 37 as of 2 June.
4. At the 2<sup>nd</sup> meeting, which was held jointly with the SBSTA on 2 June, statements were made by Her Excellency Maria Julia Alsogaray, Secretary of Natural Resources and Sustainable Development, Argentina, Dr. Klaus Töpfer, Executive Director, United Nations Environment Programme and the Executive Secretary. [Summary texts of the statements will be included in the final version of the report.]

## II. ORGANIZATIONAL MATTERS

### (Agenda item 2)

#### A. Adoption of the agenda

##### (Agenda item 2(a))

5. At its 1<sup>st</sup> meeting, on 2 June, the SBI considered the provisional agenda contained in document FCCC/SBI/1998/1.
6. Statements were made by representatives of nine Parties, including one speaking on behalf of the Group of 77 and China.

7. The SBI agreed to amend provisional agenda items 7 and 8 to read, respectively, "Implementation of Article 4, paragraphs 8 and 9 of the Convention" (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol), and "Mechanisms", and adopted the following agenda:

1. Opening of the session.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Election of officers other than the Chairman;
  - (c) Organization of the work of the session;
  - (d) Allocation of work - issues arising from decision 1/CP.3, paragraph 6;
  - (e) Organization of the work of future sessions.
3. National communications:
  - (a) Communications from Parties included in Annex I to the Convention;
  - (b) Communications from Parties not included in Annex I to the Convention.
4. Financial mechanism:
  - (a) Review process referred to in decision 9/CP.1;
  - (b) Guidance to the Global Environment Facility.
5. Second review of the adequacy of Article 4, subparagraphs 2 (a) and (b).
6. Review of information and possible decisions under Article 4, subparagraph 2 (f) of the Convention.
7. Implementation of Article 4, paragraphs 8 and 9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol).
8. Mechanisms:
  - (a) Activities implemented jointly under the pilot phase;
  - (b) Joint implementation<sup>3</sup> - decision 1/CP.3, paragraph 5 (c);
  - (c) Clean development mechanism - decision 1/CP.3, paragraph 5 (e);
  - (d) Emissions trading - decision 1/CP.3, paragraph 5 (b).

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<sup>3</sup> This sub-item relates to Article 6 of the Kyoto Protocol and paragraph 5 (c) of decision 1/CP.3. The term "joint implementation" is used for convenience.

9. Arrangements for intergovernmental meetings:
  - (a) Arrangements for the fourth session of the Conference of the Parties;
  - (b) Calendar of meetings;
  - (c) Date and venue of the fifth session of the Conference of the Parties;
  - (d) Volume of documentation.
10. Administrative and financial matters:
  - (a) Programme budget for the biennium 1998-1999;
  - (b) Financial performance in the biennium 1996-1997;
  - (c) Financial procedures;
  - (d) Administrative arrangements.
11. Involvement of non-governmental organizations.
12. Report on the session.

B. Election of officers other than the Chairman  
(Agenda item 2(b))

8. The SBI considered this sub-item at its 1<sup>st</sup> meeting, on 2 June.

[to be completed]

C. Organization of the work of the session  
(Agenda item 2(c))

9. The SBI considered this sub-item at its 1<sup>st</sup> meeting, on 2 June. It had before it document FCCC/SB/1998/3. Statements were made by representatives of two Parties.

10. The Chairman drew the attention of the SBI to the tentative schedule of meetings contained in document FCCC/SB/1998/3, noting that the schedule was intended to be used as a guide, and might need to be modified to reflect the pace of progress.

11. The Chairman informed the SBI that applications for accreditation to the sessions of the subsidiary bodies had recently been received from nine non-governmental organizations. These applications had been screened by the secretariat on the basis of the provisions of Article 7.6 of the Convention and in accordance with the procedures established by the COP for the admission of organizations as observers. The SBI agreed to grant these organizations access to the current session of the SBI, pending formal action on their accreditation by the COP at its fourth session.

D. Allocation of work - issues arising from decision 1/CP.3, paragraph 6

E. Organization of work of future sessions

(Agenda items 2(d) and 2(e))

1. Proceedings

12. The SBI considered these sub-items at its 1<sup>st</sup> and -- meetings, on 2 and -- June, respectively. It had before it document FCCC/SB/1998/1.

2. Conclusions

[to be completed]

F. Attendance

13. The list of attendance at the eighth session of the SBI is given in document FCCC/SB/1998/xx.

[to be completed]

G. Documentation

14. The documents before the SBI at its eighth session are listed in annex II.

III. NATIONAL COMMUNICATIONS

(Agenda item 3)

A. Communications from Parties included in Annex I to the Convention

(Agenda item 3(a))

1. Proceedings

15. The SBI considered this sub-item at its 1<sup>st</sup> and 9<sup>th</sup> meetings, on 2 and 8 June, respectively. It had before it two documents presented by the secretariat (FCCC/SBI/1998/INF.1 and FCCC/SBI/1998/INF.2).

16. Statements were made by representatives of 10 Parties, including one speaking on behalf of the European Community and its member States.



## 2. Conclusions

17. At its 9<sup>th</sup> meeting, on 8 June, the SBI, having considered a proposal by the Chairman (FCCC/SBI/1998/CRP.2), as well as views expressed by delegations, adopted the following conclusions:

(a) The SBI took note of the documents prepared by the secretariat on the progress made in the process of review of the first and second national communications from Annex I Parties, noting the completion of the review of first national communications. The SBI also noted the schedule of in-depth reviews of the second national communications and encouraged those Parties which had not yet done so, to finalize with the secretariat dates of in-depth review visits;

(b) The SBI noted with appreciation the initiative of some Annex II Parties aimed at enlarging the participation of experts from non-Annex I Parties in in-depth reviews, and invited other Parties to take similar action;

(c) The SBI urged Annex I Parties that had not already done so, to submit their annual national greenhouse gas (GHG) inventory, which was due on 15 April 1998, as soon as possible. The SBI further requested Parties to submit their national GHG inventory in accordance with the Intergovernmental Panel on Climate Change (IPCC) reporting format and in electronic format so as to facilitate the processing and dissemination by the secretariat of this information. The SBI noted that the secretariat would provide a report to the SBI at its ninth session, in English only, based on national greenhouse gas inventories submitted by 30 September 1998;

(d) The SBI noted that the secretariat would complete the compilation and synthesis of second national communications on the basis of national communications received by 30 June 1998 for consideration by the Conference of the Parties at its fourth session. The SBI expressed concern at the late submission of national communications by some Annex I Parties, and urged those Parties which had not yet submitted communications to do so as soon as possible;

(e) The SBI initiated the discussion on the scheduling of submission of third and subsequent national communications by Annex I Parties and agreed with the thrust of the proposals in document FCCC/SBI/1998/INF.1. The SBI further invited Parties to submit by 1 September 1998 their views on subsequent national communications with an aim of compiling submissions of Parties in a miscellaneous document for consideration by the SBI at its ninth session.

B. Communications from Parties not included in Annex I to the Convention  
(Agenda item 3(b))

1. Proceedings

18. The SBI considered this sub-item at its 5<sup>th</sup> and -- meetings, on 4 and -- June. It had before it documents FCCC/SBI/1998/INF.3 and Add.1, and FCCC/SBI/1998/MISC.1 and FCCC/SBI/1998/MISC.2. Statements were made by representatives of 28 Parties.

2. Conclusions

- (a) Provision of financial and technical support, including secretariat's observations on initial national communications

[to be completed]

- (b) Information on relevant action by the Council of the Global Environment Facility (GEF)

[to be completed]

- (c) Process for consideration of communications from non-Annex I Parties

19. The SBI noted that a workshop is proposed to be held before the ninth session of the SBI in Kuala Lumpur, Malaysia, with the aim of assisting deliberations on the matter.

IV. FINANCIAL MECHANISM  
(Agenda item 4)

- A. Review process referred to in decision 9/CP.1

- B. Guidance to the Global Environment Facility  
(Agenda items 4 (a) and (b))

1. Proceedings

20. The SBI considered these sub-items at its 5<sup>th</sup> and -- meetings, on 4 and -- June, respectively. It had before it documents FCCC/SBI/1998/MISC.1 and FCCC/SBI/1998/INF.3.

2. Conclusions

[to be completed]

V. SECOND REVIEW OF THE ADEQUACY OF ARTICLE 4,  
SUBPARAGRAPHS 2 (a) AND (b)  
(Agenda item 5)

1. Proceedings

21. The SBI considered this item at its 4<sup>th</sup>, 7<sup>th</sup> and -- meetings, on 3, 5 and -- June, respectively. It had before it document FCCC/SBI/1998/2.

2. Conclusions

[to be completed]

VI. REVIEW OF INFORMATION AND POSSIBLE DECISIONS  
UNDER ARTICLE 4, SUBPARAGRAPH 2 (f) OF THE  
CONVENTION  
(Agenda item 6)

1. Proceedings

22. The SBI considered this item at its 4<sup>th</sup> and -- meetings, on 3 and -- June, respectively. It had before it for information documents FCCC/CP/1997/7 and FCCC/CP/1997/MISC.3.

2. Conclusions

[to be completed]

VII. IMPLEMENTATION OF ARTICLE 4, PARAGRAPHS 8 AND 9 OF  
THE CONVENTION (DECISION 3/CP.3 AND ARTICLES 2.3  
AND 3.14 OF THE KYOTO PROTOCOL)  
(Agenda item 7)

1. Proceedings

23. The SBI considered this item at its 6<sup>th</sup>, 8<sup>th</sup> and -- meetings, on 4, 8 and -- June, respectively. It had before it document FCCC/SBI/1998/CRP.1.

2. Conclusions

[to be completed]

VIII. MECHANISMS  
(Agenda item 8(a) to 8(d))

- A. Activities implemented jointly under the pilot phase
- B. Joint implementation - decision 1/CP.3, paragraph 5 (c)
- C. Clean development mechanism - decision 1/CP.3, paragraph 5 (e)
- D. Emissions trading - decision 1/CP.3, paragraph 5 (b)

1. Proceedings

24. This item, including its four sub-items, was considered by the SBI at its 2<sup>nd</sup>, 3<sup>rd</sup>, 9<sup>th</sup> and -- meetings, which were held jointly with the SBSTA, on 2, 3, 8 and -- June, respectively. The subsidiary bodies had before them the following documents: FCCC/SB/1998/2, FCCC/SBSTA/1998/INF.3, FCCC/SB/1998/MISC.1 and Add.1 and 3, and FCCC/SB/1998/MISC.2 and Add.1.

2. Conclusions

[to be completed]

IX. ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS  
(Agenda item 9)

- A. Arrangements for the fourth session of the Conference of the Parties
- B. Calendar of meetings
- C. Date and venue of the fifth session of the Conference of the Parties
- D. Volume of documentation  
(Agenda item 9(a) - 9(d))

1. Proceedings

25. The SBI considered these sub-items at its 7<sup>th</sup>, 8<sup>th</sup> and -- meetings on 5, 8 and -- June, respectively.

2. Conclusions

[to be completed]

X. ADMINISTRATIVE AND FINANCIAL MATTERS  
(Agenda item 10)

- A. Programme budget for the biennium 1998-1999
- B. Financial performance in the biennium 1996-1997
- C. Financial procedures
- D. Administrative arrangements  
(Agenda items 10(a) to 10(d))

1. Proceedings

26. The SBI, at its 6<sup>th</sup> meeting, on 4 June, considered the information contained in documents FCCC/SBI/1998/4 and FCCC/SBI/1998/INF.4, and the oral updates provided by the secretariat, and agreed to the conclusions listed below. It also requested the secretariat to incorporate these actions into a draft omnibus decision on administrative and financial matters to be considered by COP 4. This draft decision will be included in the documentation on administrative and financial matters prepared for COP 4.

2. Conclusions

(a) Programme budget for the biennium 1998-1999

27. The SBI endorsed the Executive Secretary's proposed deployment of the post-Kyoto contingency resources as outlined in paragraphs 7 to 10 of document FCCC/SBI/1998/4, in particular the increase in the number of additional posts from three to four. The SBI also authorized the Executive Secretary to allocate core budget resources for the financial management and administrative subprogramme, pending the conclusion of negotiations on increased allocations from the overhead payments made to the United Nations, and to transfer, as necessary and within the 15 per cent limit, funds from the budget approved for established posts to temporary assistance.

28. The SBI urged Parties to pay all outstanding contributions to the core budget as soon as possible, as well as to make timely voluntary contributions to the trust funds for participation and for supplementary activities.

(b) Financial performance in the biennium 1996-1997

29. The SBI took note of the contributions received for the 1996-1997 biennium under the various sources of funding, and requested the Executive Secretary to report to COP 4, through the SBI at its ninth session, on the 1996-1997 actual expenditures, including audited financial statements and the reports from the internal and external auditors.

(c) Financial procedures

30. Following the General Assembly resolution to revise the United Nations scale of assessment (resolution 52/215 of 22 December 1997), the SBI revisited the modality to be used in determining the indicative scale of contributions to the core budget of the Convention, on the basis of the alternatives suggested by the Executive Secretary. The SBI decided to recommend to COP 4 that the scale of contributions should be based on the new United Nations scale of assessment and follow the principle that all Parties should contribute to the Convention budget. To this end, the SBI also decided to recommend to COP 4 that it adjust the financial procedures (as contained in decision 15/CP.1, annex I, paragraph 7 (a)) (FCCC/CP/1995/7/Add.1) to read as follows: "Contributions made each year by Parties on the basis of the indicative scale adopted by consensus by the Conference of the Parties, and based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly, adjusted so as to ensure that no Party contributes less than 0.001 per cent of the total; that no one contribution exceeds 25 per cent of the total; and that no contribution from a least developed country Party exceeds 0.01 per cent."

31. The SBI authorized the Executive Secretary to use this new indicative scale of contributions as a basis for the notification to Parties of their 1999 contributions. This notification should also reflect any credits or debits arising from the application of the new scale to contributions for 1998.

(d) Administrative arrangements

32. After taking note of the Executive Secretary's oral report on this sub-item, the SBI requested the Executive Secretary to continue his discussions with the United Nations regarding administrative arrangements for the Convention, with a view to bringing them to a successful conclusion, and to inform the Conference of the Parties through the SBI, as appropriate, of any significant developments.

XI. INVOLVEMENT OF NON-GOVERNMENTAL ORGANIZATIONS  
(Agenda item 11)

1. Proceedings

33. The SBI considered this item at its 6<sup>th</sup> and 9<sup>th</sup> meetings, on 4 June and 8 June, respectively. It had before it document FCCC/SBI/1998/5; documents previously issued on this agenda item were also available (FCCC/SBI/1997/14 and Add.1, and FCCC/SBI/1997/MISC.7). These documents were briefly introduced by the Executive Secretary. Statements were made by representatives of six Parties, including one representative speaking on behalf of the European Community and its member States, and by representatives of two non-governmental

organizations, representing the environmental and the business and industry constituencies, respectively.

34. Parties stressed the importance of the role of non-governmental organizations at the meetings of the Convention bodies, and in the implementation of the Convention. Representatives of non-governmental organizations emphasized their willingness to contribute to the Convention process. The SBI welcomed the practice of the Chairmen of the subsidiary bodies meeting the different NGO constituencies.

## 2. Conclusions

35. At its 6<sup>th</sup> meeting, on 4 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI took note that the current arrangements for the accreditation of non-governmental organizations are satisfactory, and that no change in the accreditation procedures is required;

(b) The SBI noted that representatives of non-governmental organizations (NGO) may be allowed to participate in informal contact groups, unless the Parties object;

(c) The SBI noted that the existing three recognized constituencies: (i) environmental, (ii) business and industry, and (iii) local authorities, do not always provide a practical way to group the non-governmental organizations. The SBI concluded that a new framework could be based on elements provided by the Executive Secretary in paragraphs 5-6 of document FCCC/SBI/1997/14/Add.1, as well as on the list of major groups in Agenda 21. In this regard, the SBI requested the secretariat to continue consultations with representatives of different non-governmental organizations to arrive at an improved set of constituencies, possibly to be confirmed by the SBI at its tenth session;

(d) The SBI recognized that non-governmental organizations, if they are to be effectively involved in the implementation of the Convention, must be well informed about the Convention process. The SBI welcomed the proposals of the secretariat for improving the availability of documentation and information to non-governmental organizations, and encouraged the secretariat to proceed with those activities, within available resources.

[to be completed]

XII. REPORT ON THE SESSION  
(Agenda item 12)

36. At its --- meeting, on --- June, the SBI considered the draft report on the work of its eighth session (FCCC/SBI/1998/L.1).

[to be completed]

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