



CONFERENCE OF THE PARTIES
Third session
Kyoto, 1-10 December 1997
Agenda item 8 (a)

**ADOPTION OF THE REPORT OF THE CONFERENCE OF THE PARTIES
ON ITS THIRD SESSION**

Draft report of the Conference of the Parties on its third session

Rapporteur: Mr. Maciej SADOWSKI (Poland)

CONTENTS

PART ONE: PROCEEDINGS

	<u>Paragraphs</u>	<u>Page</u>
I. OPENING OF THE SESSION (Agenda item 1)	1 - 12	5
A. Statement by the President of the Conference at its second session	2 - 4	5
B. Election of the President of the Conference at its third session	5	6
C. Statement by the President	6 - 7	6
D. Addresses of welcome	8 - 10	7

	<u>Paragraphs</u>	<u>Page</u>
E. Statement by the Executive Secretary	11	8
F. Other statements	12	8
II. ORGANIZATIONAL MATTERS	13 - 38	9
(Agenda item 2)		
A. Status of ratification of the Convention	13 - 19	9
B. Adoption of the rules of procedure	20 - 21	10
C. Adoption of the agenda	22 - 23	11
D. Election of officers other than the President	24 - 26	13
E. Admission of organizations as observers	27	14
F. Organization of work, including the establishment of a sessional Committee of the Whole	28 - 33	14
G. Calendar of meetings of Convention bodies 1998-1999 .	34	16
H. Date and venue of the fourth session of the Conference of the Parties	35 - 37	16
I. Adoption of the report on credentials		16
J. Attendance		17
K. Documentation	38	17
III. REVIEW OF THE IMPLEMENTATION OF THE CONVENTION	39 - 61	17
(Agenda item 3)		
A. Reports of the subsidiary bodies and matters arising therefrom	39 - 49	17
1. Reports of the Subsidiary Body for Scientific and Technological Advice	39 - 41	17
2. Reports of the Subsidiary Body for Implementation	42 - 44	18

	<u>Paragraphs</u>	<u>Page</u>
3. Reports of the Ad Hoc Group on the Berlin Mandate	45 - 48	19
4. Reports of the Ad Hoc Group on Article 13	49	19
B. Development and transfer of technologies	50 - 51	20
C. Financial mechanism: report of the Global Environment Facility to the Conference	52	20
D. Second review of the adequacy of Article 4.2(a) and (b)	53 - 54	20
E. Review of information and possible decisions under Article 4.2(f)	55 - 59	21
F. Other matters relating to implementation	60 - 61	22
IV. AMENDMENTS TO THE CONVENTION AND ITS ANNEXES (Agenda item 4)	62 - 67	22
A. Proposal to amend Article 4.3	63 - 64	23
B. Proposal to amend Article 17	65 - 66	23
C. Proposals to amend Annexes I and II	67	23
V. ADOPTION OF A PROTOCOL OR ANOTHER LEGAL INSTRUMENT: FULFILMENT OF THE BERLIN MANDATE (Agenda item 5)	68	23
VI. HIGH-LEVEL SEGMENT ATTENDED BY MINISTERS AND OTHER HEADS OF DELEGATION (Agenda item 6)		24
VII. CONCLUSION OF THE SESSION (Agenda item 8)		24
A. Adoption of the report of the Conference of the Parties on its third session		24

	<u>Page</u>
B. Closure of the session	24

Annexes¹

Annex I	Statements by ministers and by other heads of delegation of Parties during the high-level segment of the third session of the Conference of the Parties: list of speakers
Annex II	List of intergovernmental and non-governmental organizations attending the third session of the Conference of the Parties
Annex III	List of documents before the Conference of the Parties at its third session

PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
AT ITS THIRD SESSION

I.	DECISIONS ADOPTED BY THE CONFERENCE OF THE PARTIES	25
II.	RESOLUTIONS ADOPTED BY THE CONFERENCE OF THE PARTIES	26
III.	OTHER ACTION TAKEN BY THE CONFERENCE OF THE PARTIES	26

¹ The annexes will be included in the final report of the Conference.

I. OPENING OF THE SESSION

(Agenda item 1)

1. The third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, convened pursuant to Article 7.4 of the Convention and decision 1/CP.2, was opened at the Kyoto International Conference Hall, Kyoto, Japan, on 1 December 1997, by the President of the Conference at its second session, Mr. Chen Chimutengwende, Minister of Information, Posts and Telecommunications of Zimbabwe.

A. Statement by the President of the Conference at its second session

(Agenda item 1(a))

2. The President of the Conference at its second session welcomed all participants to the third session of the Conference of the Parties and thanked the Government of Japan for the excellent facilities it had provided. He said that, since the second session of the Conference, climate change had been the subject of growing worldwide attention and media coverage. The Convention process itself had also made considerable progress, mainly through the work of the subsidiary bodies. The Ad Hoc Group on the Berlin Mandate (AGBM), in particular, had arrived step by step at a consolidated negotiating text for a protocol or another legal instrument, prepared by the Chairman. The adoption of such a protocol or instrument reflecting the principles of equity, justice and fair play constituted the greatest challenge of the current session.

3. Global warming was already happening and the climate system might well be taking an irreversible path unless action was taken immediately. While climate change constituted a threat to each and every individual nation in the world, its impact was likely to be more severe in the developing countries that were least able to cope with the consequences. It was the responsibility of the industrialized nations that had indirectly placed burdens on the rest of the world to take the lead in meeting existing commitments, in reducing emissions and in alleviating human suffering caused by climate change. It was a question of survival for small island States and other low-lying areas of the world and for vulnerable communities in other poor countries. Developing countries were already making efforts domestically, with their limited resources, to attain sustainable economic development and it was not possible for those countries to take on new commitments under the new instrument. In the interests of equity, binding commitments for non-Annex I Parties could not even be envisaged until agreement had been reached on a fair system of apportionment of emission limits, a globally agreed reduction pathway and a projected sustainable future emission level on an equitable basis, and until there was reliable and predictable financial provision for the acquisition and adaptation of sound technologies, know-how and production systems in developing countries.

4. In conclusion, he reported to the Conference of the Parties on the outcome of the informal consultations which he had undertaken in the intersessional period on the draft rules of procedure and the composition of the Bureau. Thanking all those who had co-operated with him during his term of office, and extending his best wishes to the new President, he expressed the hope that the session would prove to be a success and a landmark in the annals of international co-operation.

B. Election of the President of the Conference at its third session

(Agenda item 1(b))

5. At the 1st plenary meeting, on 1 December, on the proposal of the outgoing President, the Conference of the Parties elected by acclamation Mr. Hiroshi Ohki, Minister of State, Director-General of the Environment Agency, Minister in Charge of Global Environmental Problems of Japan, as its President.

C. Statement by the President

(Agenda item 1(c))

6. On assuming office, the President welcomed all participants to the third session of the Conference of the Parties and paid tribute to the outgoing President and the Chairman of the AGBM for their important contributions to the Convention process. He also thanked the Executive Secretary and the secretariat for their work in preparing for the present session of the Conference. The most important task facing the Conference of the Parties was to establish a more concrete international framework for the protection of the global climate through the adoption of a protocol to the Convention or another form of legal instrument. Climate change was one of the most serious global environmental issues facing the world today and only a fully worldwide strategy could effectively address the problem. Such a strategy should be based on three principles: developed countries should take the lead now in committing themselves to reduce greenhouse gas emissions below 1990 level; developing countries should also take actions to address climate change problems in promoting their sustainable development, taking into account their common but differentiated responsibilities under the Convention and their respective capabilities; and developed countries should strengthen their partnership with developing countries through the provision of financial and technological support for mitigating global greenhouse gas emissions.

7. There were a large number of outstanding issues to be resolved and he called upon all Parties to work together in a spirit of co-operation and compromise, urging the developed countries with the greatest economic capacity in particular to demonstrate such spirit and leadership in action. In conclusion, he stressed the need to discuss future steps to be taken after the Kyoto Conference for the effective implementation of the protocol and other measures to attain the objective of the Convention. All the climate change problems could not be solved at Kyoto; there was still a long way to go and many more negotiations would have to follow. By reaching agreement at Kyoto, however, the international community could take a definite first step towards promoting climate protection policies for the twenty-first century. It was his earnest hope that, here in Kyoto, where some of the most important events in Japan's history had taken place, it would prove possible to reach another historic decision to protect the world's environment and to secure a sustainable basis for the future prosperity of all mankind.

D. Addresses of welcome

(Agenda item 1(d))

8. Mr. Keizo Obuchi, Minister for Foreign Affairs of Japan, speaking on behalf of the Government of Japan, welcomed all participants to Kyoto, the ancient capital of Japan, for the third session of the Conference of the Parties. He said that the problem of global warming was rapidly becoming more acute, with severe consequences not only for future generations but also for the world's ecosystems. It was the present generation's historic responsibility to determine the future shape of the earth that it would hand over to future generations. The Kyoto Conference was a crucial opportunity to take a global decision on the extent to which greenhouse gas emissions could be limited in order to combat global warming after the year 2000. Agreement needed to be reached on legally-binding emission reduction targets for developed country Parties. At the same time, developing countries should be asked to make every effort, in their future development process, to take into account the future of the whole world. To that end, appropriate assistance from developed countries was indispensable. In conclusion, he expressed his earnest hope that the Conference would be able to reach the final agreement the world was waiting for.

9. Mr. Teiichi Aramaki, Governor of the Prefecture of Kyoto, welcomed all participants to the third session of the Conference of the Parties, on behalf of all the residents of the Kyoto Prefecture. He said that global warming was one of the most serious environmental problems facing the world today, and that the third session of the Conference of the Parties might well be an important step in tackling global warming in the coming century through the united efforts of all the peoples of the world. For its part, the Kyoto Prefecture had prepared various action programmes to protect the environment, based on the active involvement of local people, business circles, administrative bodies and tourists, and the present Conference provided an opportunity to enhance the local population's awareness of global environmental issues and thus further promote such activities. In conclusion, he wished the Conference every success in arriving at a Kyoto Protocol that would prove to be a landmark in international co-operation for preserving the global environment.

10. Mr. Morikane Masumoto, Mayor of Kyoto, speaking on behalf of all the citizens of Kyoto, welcomed the participants in the Conference to the host city of Kyoto. With a history and tradition of more than 1,200 years, Kyoto was called "a place dear to the heart of every Japanese". The Mayor expressed his delight in the thought that all the participants would have an opportunity to experience the beautiful nature and culture of Kyoto, a world-famous ancient city. Recognizing that the earth was now suffering from damage that humankind alone had caused, the Mayor stressed that it was humankind's responsibility to save the suffering earth, restore the global environment and hand it over to future generations. Since July 1996, when the decision to hold the Conference in Kyoto was taken, the City of Kyoto had organized more than 120 events and projects to raise the citizens' awareness of the urgency of combatting global warming and of the significance of the present Conference. The City of Kyoto had also drawn up a Kyoto City Regional Promotion Plan to help stop global warming, with the aim of reducing CO₂ emissions. To implement that programme, the Miyako Agenda 21 action plan had been

drafted. In conclusion, the Mayor expressed his earnest hope that the Conference would reach a successful agreement with the adoption of an effective Kyoto Protocol.

E. Statement by the Executive Secretary

(Agenda item 1(e))

11. At the 1st plenary meeting, on 1 December, the Executive Secretary, welcoming all participants to the third session of the Conference of the Parties and thanking the Government of Japan and the Kyoto authorities for all they had done to help the secretariat to put the arrangements for the Conference in place, stressed the importance of the Conference arriving at a well-designed end product that could be successfully sold not only to legislators and tax payers, but also to investors, producers and consumers. The responsibility for investments and other actions that would lead to the limitation and reduction of greenhouse gas emissions would fall primarily on non-governmental actors, in particular the business community. For the business community to be able to respond in a responsible manner, it was essential that the goals, and the rules of the game for achieving them, were clearly defined by Governments. The Conference must also direct its message to the citizens of the world in order to mobilize support for practical actions by communities and local governments to mitigate greenhouse gas emissions. Finally, the message from Kyoto should clearly indicate that it was only through the example of enlightened leadership by the industrialized countries, and by the transnational corporations that were shaping the world economy, that a truly global coalition to combat climate change could be formed, in which all would participate according to their own capacities. He looked forward to a clear, binding and verifiable commitment by the industrialized countries to reduce their emissions below 1990 levels early in the next century, a commitment that would trigger the development and diffusion of new practices, new standards, new technologies and new consumption patterns. Such a result would start to steer the world economy towards a sustainable future.

F. Other statements

12. At the 1st plenary meeting, on 1 December, general statements were made by the representatives of the United Republic of Tanzania (on behalf of the Group of 77 and China), Luxembourg (on behalf of the European Community and its member States), the Russian Federation and the United States of America. At the 2nd plenary meeting, on 1 December, general statements were made by the representatives of Egypt (on behalf of the African Group) and Samoa (on behalf of the Alliance of Small Island States). At the 3rd plenary meeting, on 3 December, a general statement was made by the representative of Slovenia (on behalf of the Group of Central and Eastern European States).

II. ORGANIZATIONAL MATTERS

(Agenda item 2)

A. Status of ratification of the Convention

(Agenda item 2(a))

13. For its consideration of this sub-item at its 1st plenary meeting, on 1 December, the Conference of the Parties had before it an information document on the status of ratification of the Convention (FCCC/CP/1997/INF.2). On the invitation of the President, the Conference of the Parties took note with satisfaction that, as of 1 December 1997, 167 States and one regional economic integration organization were Parties to the Convention, and took note of the information on the status of ratification contained in document FCCC/CP/1997/INF.2.

14. At the 4th plenary meeting, on 3 December, the representative of Croatia formally objected to the participation of the representative of the Federal Republic of Yugoslavia in the third session of the Conference of the Parties, and to the inclusion of the name of Yugoslavia in the list of Parties in document FCCC/CP/1997/INF.2. He said that the Federal Republic of Yugoslavia was not a member State of the United Nations and thus, in accordance with Article 20 of the Convention, was not entitled to become a Party to the Convention. He therefore requested the presidency to ensure that the representative of the Federal Republic of Yugoslavia did not participate in the meetings of the Conference of the Parties.

15. The Executive Secretary explained that the list of Parties in document FCCC/CP/1997/INF.2 was based on information received from the Secretary-General of the United Nations as Depositary of the Convention. On 10 September 1997 the secretariat had received a communication from the Chief of the Treaty Section advising it of the deposit of an instrument of ratification by Yugoslavia on 3 September 1997. On 24 November 1997 the secretariat had received a copy of a depositary notification from the Legal Office of the United Nations, which conveyed the same information to the Ministries of Foreign Affairs of all Parties and which stated that, in accordance with Article 23.2, Yugoslavia would become a Party to the Convention on 2 December 1997. He informed the Conference of the Parties that he would seek the advice of the Depositary of the Convention on the issue raised.

16. The representatives of Mauritania, Morocco (speaking as Chairman of the Islamic Conference), Luxembourg (speaking on behalf of the European Community and its member States), Pakistan and the United States of America, all supported the request made by the representative of Croatia. The representatives of Georgia and of the Russian Federation, on the other hand, expressed their support for participation by the Federal Republic of Yugoslavia.

17. At the same meeting, the presiding Vice-President requested the representative of the Federal Republic of Yugoslavia to refrain from participating in the proceedings of the Conference pending receipt of legal advice from the Depositary.

18. At the 5th plenary meeting, on 5 December, the Executive Secretary informed the Conference of the Parties that a legal opinion had been received from the Legal Counsel of the

United Nations. In that opinion, the Legal Counsel had explained that, at the time of the signature of the Convention by the Federal Republic of Yugoslavia on 8 June 1992, no decision on its status having been taken by the General Assembly, the Secretariat had not questioned the membership of Yugoslavia in the United Nations and its participation in treaties negotiated under United Nations auspices. It was on that basis that the Secretariat had accepted the signature. The Legal Counsel also had taken the view in 1992 that General Assembly resolution 47/1 had not terminated or suspended Yugoslavia's membership in the United Nations. As regards the acceptance on 3 September 1997 of the deposit by the Federal Republic of Yugoslavia of an instrument of ratification of the Convention, that was not based on a treaty action taken by the former Socialist Federal Republic of Yugoslavia, but rather on the signature of the Convention by a representative of the Federal Republic of Yugoslavia. As General Assembly resolution 47/1, as consistently interpreted by the Secretariat, had not terminated or suspended Yugoslavia's membership in the United Nations, the Depositary had not been in a position not to accept the deposit of an instrument of ratification pursuant to Article 22 of the Convention. The capacity of the Federal Republic of Yugoslavia to participate in meetings of treaty bodies needed to be determined by the relevant treaty bodies themselves. It was thus for the Conference of the Parties itself to take a decision on the participation of the Federal Republic of Yugoslavia in UNFCCC meetings, if it so wished. Some other treaty bodies had taken action to exclude the representatives of the Federal Republic of Yugoslavia from participating in a particular meeting or session, but had avoided dealing with the larger legal issue of its treaty status.

19. The President, pointing out that the opinion of the Legal Counsel was consistent with the request made by the Vice-President presiding over the 4th plenary meeting, ruled that the request to the delegation of the Federal Republic of Yugoslavia to refrain from participating in the proceedings of the Conference should be maintained.

B. Adoption of the rules of procedure

(Agenda item 2(b))

20. For its consideration of this sub-item at its 1st plenary meeting, on 1 December, the Conference of the Parties had before it the draft rules of procedure, as currently being applied (FCCC/CP/1996/2) and a report by the President of the Conference at its second session on his informal consultations on the draft rules of procedure (FCCC/CP/1997/5). Annex I to that report contained the text of a draft decision on adoption of the rules of procedure, proposed by the President of the Conference at its second session, whereby the Conference would adopt the rules of procedure annexed to that decision, with the exception of draft rule 22, paragraph 1, and draft rule 42, paragraph 1, on the understanding that draft rule 22, paragraph 1, would continue to be applied.

21. Statements were made by representatives of seven Parties, including one speaking on behalf of the Group of 77 and China, one speaking on behalf of the Alliance of Small Island States and one speaking on behalf of the European Community and its member States. In the absence of a consensus on that draft decision, the President proposed, and the Conference of the Parties agreed, that consideration of the sub-item should be postponed to give time for further

consultations. The President ruled that the draft rules of procedure as contained in document FCCC/CP/1996/2 should continue to be applied, with the exception of draft rule 42.

[to be completed]

C. Adoption of the agenda
(Agenda item 2(c))

22. For its consideration of this sub-item at its 1st plenary meeting, on 1 December, the Conference of the Parties had before it a note by the Executive Secretary containing the provisional agenda and annotations (FCCC/CP/1997/1 and Add.1-2) and a proposal by the Group of 77 and China in relation to item 6 of the provisional agenda (FCCC/CP/1997/L.1), listing issues for the focus of the high-level segment attended by ministers and other heads of delegation.

23. At the same meeting, on 1 December, the Conference of the Parties adopted the following agenda:

1. Opening of the session:
 - (a) Statement by the President of the Conference at its second session;
 - (b) Election of the President of the Conference at its third session;
 - (c) Statement by the President;
 - (d) Addresses of welcome;
 - (e) Statement by the Executive Secretary.
2. Organizational matters:
 - (a) Status of ratification of the Convention;
 - (b) Adoption of the rules of procedure;
 - (c) Adoption of the agenda;
 - (d) Election of officers other than the President;
 - (e) Admission of organizations as observers;
 - (f) Organization of work, including the establishment of a sessional Committee of the Whole;

- (g) Calendar of meetings of Convention bodies 1998-1999;
 - (h) Date and venue of the fourth session of the Conference of the Parties;
 - (i) Adoption of the report on credentials.
3. Review of the implementation of the Convention:
- (a) Reports of the subsidiary bodies and matters arising therefrom:
 - (i) Reports of the Subsidiary Body for Scientific and Technological Advice;
 - (ii) Reports of the Subsidiary Body for Implementation;
 - (iii) Reports of the Ad Hoc Group on the Berlin Mandate;
 - (iv) Reports of the Ad Hoc Group on Article 13;
 - (b) Development and transfer of technologies;
 - (c) Financial mechanism: report of the Global Environment Facility to the Conference;
 - (d) Second review of the adequacy of Article 4.2(a) and (b);
 - (e) Review of information and possible decisions under Article 4.2(f);
 - (f) Other matters relating to implementation.
4. Amendments to the Convention and its Annexes:
- (a) Proposal to amend Article 4.3;
 - (b) Proposal to amend Article 17;
 - (c) Proposals to amend Annexes I and II.
5. Adoption of a protocol or another legal instrument: fulfilment of the Berlin Mandate.
6. High-level segment attended by ministers and other heads of delegation.
7. Other matters.

8. Conclusion of the session:
 - (a) Adoption of the report of the Conference of the Parties on its third session;
 - (b) Closure of the session.

D. Election of officers other than the President
(Agenda item 2(d))

24. At its 1st plenary meeting, on 1 December, on the proposal of the President, the Conference of the Parties elected by acclamation seven Vice-Presidents and the Rapporteur of the Conference, the Chairman of the Subsidiary Body for Implementation and the Chairman of the Subsidiary Body for Scientific and Technological Advice. The Bureau of the Conference was thus constituted as follows:

President

Mr. Hiroshi Ohki (Japan)

Vice-Presidents

Mr. Anthony Clarke (Canada)
Mr. T. Gzirishvili (Georgia)
Ms. Cornelia Quennet-Thielen (Germany)
Mr. George Manful (Ghana)
Mr. Sergio Zelaya Bonilla (Honduras)
Mr. Espen Rønneberg (Marshall Islands)
Mr. Luis Herrera Marcano (Venezuela)

Rapporteur

Mr. Maciej Sadowski (Poland)

Chairman of the Subsidiary Body for Scientific and Technological Advice

Mr. Kok Kee Chow (Malaysia)

Chairman of the Subsidiary Body for Implementation

Mr. Bakary Kante (Senegal)

25. The Conference of the Parties agreed, on the proposal of the President, that consultations should continue with regard to nominations for the posts of vice-chairmen and rapporteurs of the subsidiary bodies, with a view to their election at the next sessions of those bodies.

26. At its 2nd meeting, on 1 December, the Conference of the Parties elected Mr. Raúl Estrada-Oyuela (Argentina) as Chairman of the sessional Committee of the Whole and invited him to participate in the meetings of the Bureau of the Conference.

E. Admission of organizations as observers

(Agenda item 2(e))

27. For its consideration of this sub-item at its 1st plenary meeting, on 1 December, the Conference of the Parties had before it a note by the secretariat on the admission of organizations as observers (FCCC/CP/1997/4), to which was annexed a list of intergovernmental and non-governmental organizations which had expressed their wish to be admitted as observers at the third session of the Conference of the Parties. Pursuant to a recommendation by the Bureau of the Conference, which had reviewed the list of applicant organizations during the October 1997 sessions of the subsidiary bodies, the Conference of the Parties decided to admit as observers to its third session the non-governmental organizations which had an asterisk against their names, and to accord observer status to the intergovernmental and remaining non-governmental organizations in that list.

F. Organization of work, including the establishment of a sessional Committee of the Whole

(Agenda item 2(f))

28. In introducing this sub-item, at the 2nd plenary meeting, on 1 December, the President recalled that under Article 7.2 of the Convention the Conference of the Parties, as the supreme body of the Convention, was mandated to keep under regular review the implementation of the Convention and to make, within its mandate, the decisions necessary to promote the effective implementation of the Convention. Furthermore, Article 7.2(a) provided for the Conference of the Parties to periodically examine the obligations of the Parties and the institutional arrangements under the Convention, in light of the objective of the Convention, the experience gained in its implementation, and the evolution of scientific and technological knowledge. In that context, the principal objective of the Conference of the Parties at its third session was to fulfil the Berlin Mandate, set by its decision 1/CP.1, on the basis of the work of the AGBM. In addition, the Conference of the Parties would also consider for the first time amendments to the Convention proposed by Parties.

29. At the same meeting, the Conference of the Parties, pursuant to a recommendation by the SBI at its fifth session (FCCC/SBI/1997/6, para. 44(c)(ii)), established a sessional Committee of the Whole, open to all delegations, to undertake consideration of agenda item 5 on fulfilment of the Berlin Mandate, and requested the Chairman of the Committee of the Whole to report to the plenary on the results of the Committee's work on Friday, 5 December. All remaining items were allocated to the plenary of the Conference. The Conference of the Parties, on the proposal

of the President, further decided that, of the issues reported to be outstanding by the Chairman of the AGBM (see para. 46 below), those relating to the methodologies to be used to estimate emissions by sources and removals by sinks in the new instrument, and preparations for the first Meeting of the Parties, should be considered by the Committee of the Whole in connection with agenda item 5, and the issue relating to elements of the Brazilian proposal contained in document FCCC/AGBM/1997/MISC.1/Add.3 should be taken up by the plenary of the Conference under agenda item 3(f). After an extensive discussion, the President indicated that he would undertake consultations on the question of how to deal with the issue relating to the future development of the commitments of all Parties.

30. With regard to agenda item 6, the President recalled that the purpose of the high-level segment, as defined by the SBI at its sixth session, was to promote decision-making (FCCC/SBI/1997/16, para. 34(g)). It would mark the conclusion of the work of the sessional Committee of the Whole, and the handover of the negotiating process to ministers and other heads of delegation and their senior advisers for the final days of work before the adoption of a new instrument. The high-level segment would be marked by a series of intensive informal consultations as well as a general debate in the plenary.

31. On the proposal of the President, the Conference of the Parties decided that, during the general debate, the time limit for statements should be set at five minutes for statements by representatives of Parties and at four minutes for all other statements. It also decided that the list of speakers should be officially closed at 18.00 hours on Wednesday, 3 December.

32. At the same meeting, the Executive Secretary, referring to the report on the status of contributions to the core budget for the biennium 1996-1997 (FCCC/CP/1997/INF.4), appealed to all Parties that had not yet paid their 1996 or 1997 contributions to the core budget to do so as soon as possible, and expressed his appreciation to those Parties that had paid their contributions promptly and, in particular, to those Parties that had pledged additional amounts to the Trust Fund for Participation. The President endorsed the statement made by the Executive Secretary and added his full support to his plea for Parties with contributions still in arrears to remit their payments as soon as possible. At the 4th and 5th plenary meetings, on 3 and 5 December, the Executive Secretary gave further information on the receipt of contributions to the core budget.

33. At its 5th plenary meeting, on 5 December, the Conference of the Parties, having heard an interim report by the Chairman of the Committee of the Whole (see para. 68 below), requested the Committee of the Whole to complete its work by the end of Monday, 8 December. At the same meeting, it was agreed that there would be no need to take up agenda item 7, "Other matters".

[to be completed]

G. Calendar of meetings of Convention bodies 1998-1999

(Agenda item 2(g))

34. At its 5th plenary meeting, on 5 December, the Conference of the Parties, on the proposal of the President, adopted the following calendar of meetings of Convention bodies in 1998-1999:

- (a) First sessional period in 1998: from 2 to 12 June;
- (b) Second sessional period in 1998: from 2 to 13 November;
- (c) First sessional period in 1999: from 31 May to 11 June;
- (d) Second sessional period in 1999: from 24 October to 5 November.

H. Date and venue of the fourth session of the Conference of the Parties

(Agenda item 2(h))

35. At the 5th plenary meeting, on 5 December, the President recalled that, in the absence of any offer from a Party to host the fourth session of the Conference of the Parties, the SBI, at its 7th session, had recommended a draft decision for adoption by the Conference of the Parties at the present session, which provided for the fourth session to be held in Bonn in November 1998 (see FCCC/SBI/1997/21, annex I, 7). The representative of Argentina conveyed his Government's invitation to the Conference of the Parties to hold its fourth session in Buenos Aires.

36. At the same meeting, the Conference of the Parties, having considered a proposal by the President (FCCC/CP/1997/L.2), adopted by acclamation decision ./CP.3 on the date and venue of the fourth session of the Conference of the Parties. For the text of this decision, see Part Two, section I of this report.

37. The President, on behalf of the Conference of the Parties, extended his sincere thanks to the Government of Argentina for its generous offer to host the fourth session of the Conference of the Parties. Such an offer truly underlined the commitment of the Government of Argentina to the Convention and the Convention process. The Executive Secretary expressed his appreciation to the Government of Argentina for its generous offer and said that he and his colleagues in the secretariat were looking forward to working closely with the Argentine authorities in the preparations for the fourth session of the Conference of the Parties.

I. Adoption of the report on credentials

(Agenda item 2(i))

[to be completed]

J. Attendance

[to be completed]

K. Documentation

38. The documents before the Conference of the Parties at its third session are listed in annex III below.

III. REVIEW OF THE IMPLEMENTATION OF THE CONVENTION

(Agenda item 3)

A. Reports of the subsidiary bodies and matters arising therefrom

(Agenda item 3(a))

1. Reports of the Subsidiary Body for Scientific and Technological Advice

(Agenda item 3(a)(i))

39. At the 2nd plenary meeting, on 1 December, the Chairman of the Subsidiary Body for Scientific and Technological Advice (SBSTA) introduced the reports of the SBSTA on the work of its fourth, fifth, sixth and seventh sessions, contained in documents FCCC/SBSTA/1996/20 and FCCC/SBSTA/1997/4, 6, and 14, respectively, and reviewed the issues considered by the SBSTA during those sessions. He drew attention to a number of draft decisions which the SBSTA, at its seventh session, had recommended for adoption by the Conference of the Parties at its present session, the texts of which were contained in document FCCC/SBSTA/1997/14, annex I. Two of those draft decisions, relating to the development and transfer of technologies and to activities implemented jointly under the pilot phase, had been recommended for adoption by both the SBSTA and the SBI at their seventh sessions.

40. At the same meeting, the Conference of the Parties took note of the above-mentioned reports of the SBSTA, together with the oral report of the Chairman, and expressed its appreciation to the outgoing Chairman of the SBSTA, Mr. Tibor Faragó (Hungary), for his dedication and valuable leadership in steering the work of the SBSTA. At the same meeting, the Conference of the Parties adopted the following decisions that had been recommended for adoption by the SBSTA:

- Co-operation with the Intergovernmental Panel on Climate Change (decision ../CP.3)
- Development of observational networks of the climate system (decision ../CP.3)
- Development and transfer of technologies (decision ../CP.3)
- Activities implemented jointly under the pilot phase (decision ../CP.3)

For the texts of these decisions, see Part Two, section I, of this report.

41. In connection with the adoption of decision 1/CP.3 on co-operation with the Intergovernmental Panel on Climate Change, statements were made by the Chairman Emeritus of the IPCC, Professor Bert Bolin, and by the Executive Secretary, the latter expressing appreciation to Professor Bolin on behalf of the secretariat. The President extended his sincere thanks to Professor Bolin, on behalf of the Conference of the Parties, for his noteworthy contributions to the Convention process and for his role in advancing the global understanding of climate change as Chairman of IPCC for almost a decade.

2. Reports of the Subsidiary Body for Implementation

(Agenda item 3(a)(ii))

42. At the 2nd plenary meeting, on 1 December, the Chairman of the Subsidiary Body for Implementation (SBI) introduced the reports of the SBI on the work of its fourth, fifth, sixth and seventh sessions, contained in documents FCCC/SBI/1996/14 and FCCC/SBI/1997/6, 16 and 21, respectively, and reviewed the issues considered by the SBI during those sessions. He drew attention to a number of draft decisions which the SBI, at its sixth and seventh sessions, had recommended for adoption by the Conference of the Parties at its present session, the texts of which were contained in document FCCC/SBI/1997/21, annex I. One of those draft decisions, relating to the division of labour between the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice, had been recommended for adoption by both the SBI and the SBSTA. Another draft decision, relating to communications from Parties included in Annex I to the Convention, had been recommended for adoption by the SBI with an input from the SBSTA.

43. At the same meeting, the Conference of the Parties took note of the above-mentioned reports of the SBI, together with the oral report of the Chairman, and expressed its appreciation to the outgoing Chairman of the SBI, Mr. Mohamed M. Ould El Ghaouth (Mauritania), for his leadership and his valuable contributions to the work of the SBI. At the same meeting, the Conference of the Parties adopted the following decisions that had been recommended for adoption by the SBI:

- Division of labour between the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice (decision ../CP.3)
- Communications from Parties included in Annex I to the Convention (decision ../CP.3)
- Volume of documentation (decision ../CP.3)
- Review of the financial mechanism (decision ../CP.3)
- Annex to the Memorandum of Understanding on the determination of funding necessary and available for the implementation of the Convention (decision ../CP.3)
- Financial performance of the Convention in the biennium 1996-1997 (decision ../CP.3)
- Arrangements for administrative support to the Convention secretariat (decision ../CP.3)

For the texts of these decisions, see Part Two, section I, of this report.

44. At the 5th plenary meeting, on 5 December, the Conference of the Parties took note of document FCCC/CP/1997/INF.3 on secretariat activities relating to technical and financial

support to Parties and document FCCC/CP/1997/INF.1 entitled, "Programme budget of the Convention for the biennium 1998-1999: detailed subprogramme activities and resource requirements".

[to be completed]

3. Reports of the Ad Hoc Group on the Berlin Mandate (Agenda item 3(a)(iii))

45. At the 2nd plenary meeting, on 1 December, the Chairman of the Ad Hoc Group on the Berlin Mandate introduced the reports of the AGBM on the work of its fourth, fifth, sixth, seventh and the first part of its eighth sessions, contained in documents FCCC/AGBM/1996/8 and 11, FCCC/AGBM/1997/3 and Add.1 and Add.1/Corr.1, and FCCC/AGBM/1997/5 and 8, respectively. The final results of the work of the AGBM on a protocol or another legal instrument were contained in the revised text under negotiation (FCCC/CP/1997/2), which had been approved by the AGBM at the first part of its eighth session. In addition, he had prepared a draft text (FCCC/CP/1997/2/Add.1), in which the revised text was presented in the form of an amendment to the Convention, which was a possible other legal instrument that could be adopted pursuant to the Berlin Mandate.

46. The Chairman of the AGBM then listed a number of issues which the AGBM had not been able to address fully, and which he had been requested to bring to the attention of the Conference of the Parties. They included the methodologies to be used to estimate emissions by sources and removals by sinks in the new instrument; preparations for the first Meeting of the Parties; elements of a proposal submitted by Brazil and contained in document FCCC/AGBM/1997/MISC.1/Add.3, including a proposed methodology to measure emissions over a period of time in terms of their effect on temperature increase; and the future development of the commitments of all Parties.

47. At the same meeting, the Conference of the Parties took note of the above-mentioned reports of the AGBM, together with the oral report of the Chairman, and expressed its appreciation to Mr. Raúl Estrada-Oyuela (Argentina), Chairman of the AGBM, for his dedicated efforts and his noteworthy contribution to the Berlin Mandate process.

48. At the 5th plenary meeting, on 5 December, the Conference of the Parties took note of the report of the AGBM on the work of the second part of its eighth session (FCCC/AGBM/1997/8/Add.1).

4. Reports of the Ad Hoc Group on Article 13 (Agenda item 3(a)(iv))

49. At its 2nd plenary meeting, on 1 December, the Conference of the Parties, having heard a report on the work of the Ad Hoc Group on Article 13 from its Chairman, took note with appreciation of the reports of the Ad Hoc Group on its third, fourth and fifth sessions

(FCCC/AG13/1996/4 and FCCC/AG13/1997/2 and 4) and, pursuant to the recommendation of the Ad Hoc Group at its fifth session, adopted decision 12/CP.3 on the future work of the Ad Hoc Group on Article 13. For the text of this decision, see Part Two, section I, of this report.

B. Development and transfer of technologies

(Agenda item 3(b))

50. In introducing this sub-item at the 3rd plenary meeting, on 3 December, the President recalled that the Conference of the Parties had already adopted decision .../CP.3 on the development and transfer of technologies under sub-item 3(i)(a) (see paras. 39 and 40 above). He noted that, at the request of the Conference of the Parties at its second session, the secretariat had organized a round table on the transfer of technologies and know-how, to be held on the morning of Tuesday, 9 December. A short report on that round table would be made available as a conference room paper.

51. Statements were made under this sub-item by the representatives of eight Parties, including one speaking on behalf of the Group of 77 and China. The President indicated that the subject of the development and transfer of technologies would continue to be under consideration by the SBSTA and the SBI, and would be taken up again by the Conference of the Parties at its fourth session.

C. Financial mechanism: report of the Global Environment Facility to the Conference

(Agenda item 3(c))

52. At the 3rd plenary meeting, on 3 December, the Chief Executive Officer and Chairman of the Global Environment Facility (GEF) made a statement introducing the report of the Global Environment Facility to the Conference of the Parties at its third session (FCCC/CP/1997/3). Statements were made by representatives of 14 Parties, including one speaking on behalf of the Group of 77 and China and one speaking on behalf of the European Community and its member States. The Chief Executive Officer and Chairman of the GEF responded to a number of questions raised in those statements. At the same meeting, the Conference of the Parties expressed its appreciation to the Council of the GEF and took note of the above-mentioned report.

D. Second review of the adequacy of Article 4.2(a) and (b)

(Agenda item 3(d))

53. In introducing this sub-item at the 3rd plenary meeting, on 3 December, the President recalled that the first review of Article 4.2(a) and (b) had been undertaken by the Conference of the Parties at its first session and, having considered that the sub-paragraphs were not adequate, the Conference had agreed, in its decision 1/CP.1 on the Berlin Mandate, to begin a process to enable it to take appropriate action for the period beyond the year 2000, including the strengthening of the commitments of Annex I Parties in Article 4.2(a) and (b) through the adoption of a protocol or another legal instrument by the Conference of the Parties at its third

session. Article 4.2(b) provided that a second review of Article 4.2(a) and (b) should take place not later than 31 December 1998, and thereafter at regular intervals determined by the Conference of the Parties, until the objective of the Convention was met. The SBI at its sixth session had requested the secretariat to make all necessary preparations for the Conference of the Parties at its third session to consider the second review of the adequacy of Article 4.2(a) and (b), and had invited the Conference of the Parties to place the second review on the agenda for its fourth session.

54. Statements were made under this sub-item by representatives of six Parties, including one speaking on behalf of the Alliance of Small Island States and one speaking on behalf of the European Community and its member States. At the same meeting, the Conference of the Parties decided to place the issue of the second review of adequacy of Article 4.2(a) and (b) on the agenda for its fourth session, and to request the subsidiary bodies and the secretariat to make all necessary preparations to facilitate future consideration of that item.

E. Review of information and possible decisions under Article 4.2(f)

(Agenda item 3(e))

55. In introducing this sub-item at the 3rd plenary meeting, on 3 December, the President recalled that Article 4.2(f) of the Convention provided that the Conference of the Parties should review, not later than 31 December 1998, available information with a view to taking decisions regarding such amendments to the lists in Annexes I and II as might be appropriate, with the approval of the Party concerned. The Executive Secretary informed the Conference of the Parties that there were three Parties that had indicated that they wished to be included in Annex I to the Convention: Croatia, the Czech Republic and Slovakia. The latter two Parties had requested that the name of Czechoslovakia be deleted from Annex I to the Convention, and that their names should be included in its place. Turkey, which was not yet a party to the Convention, had requested the deletion of its name from Annex I and Annex II to the Convention. A submission was before the Conference of the Parties in document FCCC/CP/1997/MISC.3.

56. At the same meeting, the representative of Slovenia informed the Conference of the Parties that his country had notified the Depository, under Article 4.2(g), of its intention to be bound by Article 4.2(a) and (b) of the Convention.

57. After an exchange of views, in which statements were made by representatives of 11 Parties, including one speaking on behalf of the European Community and its member States, and of one observer State, it was agreed that Mr. Luis Herrera Marcano, Vice-President of the Conference, should hold informal consultations on this sub-item and report back to the plenary of the Conference.

58. At the 5th plenary meeting, on 5 December, Mr. Luis Herrera Marcano, Vice-President of the Conference, reported on the outcome of his consultations and submitted a draft decision relating to the deletion of Czechoslovakia from the list of Parties included in Annex I to the Convention, and the inclusion of Croatia, the Czech Republic, Slovakia and Slovenia in that list

(FCCC/CP/1997/L.3). He noted that the names of those countries should be followed by the footnote reference a/, which would link their names to the footnote to Annex I reading “Countries that are undergoing the process of transition to a market economy.” It had not yet proved possible to reach a consensus with regard to the deletion of the name of Turkey from the list in Annex I to the Convention, and he requested authorization to pursue his consultations on that question.

59. At the same meeting, the Conference of the Parties adopted decision ../CP.3 on amendments to the list in Annex I to the Convention under Article 4.2(f) of the Convention, and authorized the Vice-President to pursue his consultations with regard to the proposal to delete the name of Turkey from that list.

F. Other matters relating to implementation

(Agenda item 3(f))

60. At its 5th plenary meeting, on 5 December, the Conference of the Parties, on the proposal of the President, decided that the proposal presented by Brazil in document FCCC/AGBM/1997/MISC.1/Add.3 should be referred to the SBSTA for its advice regarding the methodological and scientific aspects. It authorized the SBSTA to seek inputs, as appropriate, from its roster of experts and from the IPCC, and requested it to make its advice available to the Conference of the Parties at its fourth session. The representative of Brazil made a statement in connection with that decision.

61. At the same meeting, the representative of New Zealand introduced a proposal relating to the future commitments of all the Parties. Statements were made in that connection by 46 Parties, including one speaking on behalf of the Group of 77 and China, one speaking on behalf of the European Community and its member States, one speaking on behalf of the Southern African Development Commission, and one speaking on behalf of the Arab States. The President then informed the Conference of the Parties that, in view of the wide divergence of views expressed, he would consult further with the Bureau on how to deal with the matter.

[to be completed]

IV. AMENDMENTS TO THE CONVENTION AND ITS ANNEXES

(Agenda item 4)

62. For its consideration of this item, the Conference of the Parties had before it a note by the secretariat entitled “Amendments to the Convention or its Annexes” (FCCC/SBI/1997/15), containing a proposal by Pakistan and Azerbaijan for the deletion of Turkey from the lists in Annexes I and II to the Convention, an amendment to Article 17 proposed by the Netherlands on behalf of the European Community and its member States, and an amendment to Article 4.3 proposed by Kuwait. At the 4th plenary meeting, on 3 December, statements were made on this item by representatives of 11 Parties, including one speaking on behalf of the European Community and its member States.

A. Proposal to amend Article 4.3

(Agenda item 4(a))

63. At the 4th plenary meeting, on 3 December, it was agreed that Mr. Bakary Kante, the Chairman of the SBI, should hold informal consultations on the proposed amendment to Article 4.3, and to report back to the plenary of the Conference on the results of those consultations.

64. At the 5th plenary meeting, on 5 December, the Chairman of the SBI reported that, as it had not proved possible to arrive at a consensus on the proposed amendment, Kuwait had agreed not to pursue its proposal. The representative of Kuwait made a statement confirming that his delegation was willing to withdraw its proposed amendment. The Conference of the Parties noted that the proposal to amend Article 4.3 had been withdrawn.

B. Proposal to amend Article 17

(Agenda item 4(b))

65. At the 4th plenary meeting, on 3 December, it was agreed that Mr. Sergio Zelaya Bonilla, Vice-President of the Conference, should hold informal consultations on the proposed amendment to Article 17, and to report back to the plenary of the Conference on the results of those consultations.

66. At the 5th plenary meeting, on 5 December, the Vice-President reported that it had not proved possible to arrive at a consensus on the proposed amendment. The representative of the Netherlands, on behalf of the European Community, stated that, in light of the results of the informal consultations, the European Community would not pursue its proposal. The Conference of the Parties noted that the proposal to amend Article 17 had been withdrawn.

C. Proposal to amend Annexes I and II

(Agenda item 4(c))

67. At the 4th plenary meeting, on 3 December, the President noted that this proposal was being dealt with under sub-item 3(e). For the action taken on this sub-item, see paras. 55-59 above.

**V. ADOPTION OF A PROTOCOL OR ANOTHER LEGAL INSTRUMENT:
FULFILMENT OF THE BERLIN MANDATE**

(Agenda item 5)

68. At its 2nd plenary meeting, on 1 December, the Conference of the Parties had allocated consideration of this agenda item to the Committee of the Whole (see para. 29 above). At the 5th plenary meeting, on 5 December, the Chairman of the Committee of the Whole made an interim report on the state of the negotiations in the Committee on the draft protocol. Three negotiating groups had been established to deal with specific elements of the text. The first, chaired by Mr. Takao Shibata (Japan), was dealing with the Articles relating to institutions and

mechanisms; the second, co-chaired by Mr. John Ashe (Antigua and Barbuda) and Mr. Bo Kjellén (Sweden), was dealing with Articles 12 and 13, on continuing to advance the implementation of existing commitments in Article 4.1 of the Convention and the financial mechanism; and the third, chaired by Mr. Mohamed M. Ould El Ghaouth (Mauritania), was dealing with policies and measures. He himself was conducting negotiations on matters relating to quantified emission limitation and reduction objectives (QELROs). In addition to those negotiating groups, he, and some of the chairmen of the negotiating groups, had requested several delegates to conduct informal consultations on specific issues. The intensive negotiations currently under way were advancing and were beginning to yield results, but the Committee of the Whole would need additional time to resolve many of the outstanding issues so that only a few, key issues would remain for the consideration of ministers during the high-level segment.

[to be completed]

VI. HIGH-LEVEL SEGMENT ATTENDED BY MINISTERS AND OTHER HEADS OF DELEGATION

(Agenda item 6)

[to be completed]

VII. CONCLUSION OF THE SESSION

(Agenda item 8)

A. Adoption of the report of the Conference of the Parties on its third session

(Agenda item 8(a))

[to be completed]

B. Closure of the session

(Agenda item 8(b))

[to be completed]

**PART TWO: ACTION TAKEN BY THE CONFERENCE OF THE PARTIES
AT ITS THIRD SESSION**

I. DECISIONS ADOPTED BY THE CONFERENCE OF THE PARTIES

- ../CP.3 Co-operation with the Intergovernmental Panel on Climate Change (see document FCCC/SBSTA/1997/14, annex I, 1)
- ../CP.3 Development of observational networks of the climate system (see document FCCC/SBSTA/1997/14, annex I, 2)
- ../CP.3 Development and transfer of technologies (see document FCCC/SBSTA/1997/14, annex I, 3)
- ../CP.3 Activities implemented jointly under the pilot phase (see document FCCC/SBSTA/1997/14, annex I, 4)
- ../CP.3 Division of labour between the Subsidiary Body for Implementation and the Subsidiary Body for Scientific and Technological Advice (see document FCCC/SBI/1997/21, annex I, 1)
- ../CP.3 Communications from Parties included in Annex I to the Convention (see document FCCC/SBI/1997/21, annex I, 4)
- ../CP.3 Volume of documentation (see document FCCC/SBI/1997/21, annex I, 3)
- ../CP.3 Review of the financial mechanism (see document FCCC/SBI/1997/21, annex I, 5)
- ../CP.3 Annex to the Memorandum of Understanding on the determination of funding necessary and available for the implementation of the Convention (see document FCCC/SBI/1997/21, annex I, 6)
- ../CP.3 Financial performance of the Convention in the biennium 1996-1997 (see document FCCC/SBI/1997/21, annex I, 8)
- ../CP.3 Arrangements for administrative support to the Convention secretariat (see document FCCC/SBI/1997/21, annex I, 9)
- ../CP.3 Future work of the Ad Hoc Group on Article 13 (see document FCCC/AG13/1997/4, annex III)
- ../CP.3 Date and venue of the fourth session of the Conference of the Parties (see document FCCC/CP/1997/L.2)

../CP.3 Amendments to the list in Annex I to the Convention under Article 4.2(f) of the Convention (see document FCCC/CP/1997/L.3)

[to be completed]

II. RESOLUTIONS ADOPTED BY THE CONFERENCE OF THE PARTIES

[to be completed]

III. OTHER ACTION TAKEN BY THE CONFERENCE OF THE PARTIES

[to be completed]
